

y Cleopatra Grenadiers in company sales.

Internationally, American Brands tobacco business consists almost entirely of U.K.-based Gallaher Ltd., where results were flat last year in dollars, at \$2.97 billion, though they were up 16% in sterling, to £1.94 billion. On the bright side, however, the company's share of the U.K. cigaret market during the year rose to more than 32%.

Gallaher's Benson and Hedges Special Filter continues to be the leading brand in the U.K. and its standing was enhanced by the national rollout of Benson & Hedges Longer Length. Silk Cut, meanwhile, is the top-selling, low-tar brand.

Gallaher has sizable shares of the cigar, smoking tobacco and roll-your-own markets in the U.K. Its Condor brand is the pipe tobacco market leader and now has a 48% share of that market. Hamlet is the top-selling cigar and its share of market increased to more than 46%. In the roll-your-own category, Old Hobson is the No. 2 brand in the U.K. but rose to a 43% market share.

Gallaher also includes the Dollond & Aitchison Group, Europe's largest optical company.

American Brands distilled beverages division had a 6% sales gain in 1983. Liquor consumption, however, continues to decline in the U.S.

Jim Beam countered the industry trend and increased sales in 1983. Over the past three years, its sales are up 27%, to \$241.2 million, and it has strengthened its ranking as the world's top bourbon. Measured media spending was nearly \$2.5 million, the bulk in magazines. Ad support also includes sponsorship of the "Jim Beam Spiral Thoroughbred Stakes."

Other bourbon brands include Beam's Black Label and Beam's Choice. In the whisky category, Beam's 8-Star blended whisky had an 8% sales gain.

The Beam Import Co. division added several products to its lineup. In September, 1983, it introduced Trens Nouvelle liqueur to the U.S. The introduction was backed by \$1 million in measured media support. Trens combines yogurt and cognac. Another new entry is Canadian Silk, which is a Canadian whisky, and Gammel Dansk bitters, an import from Denmark.

Kamora, which is imported from Denmark, meanwhile, continues as the No. 3 leading coffee liqueur in the U.S.

Beam's Taylor Foods division had record sales, and distribution for its Mr. and Mrs. T cocktails scored a big gain when K mart Corp. began carrying the line in late 1983.

American Brands' food products division posted a 9% sales gain. Sunshine Biscuits is the major performer and invested nearly \$1 million in measured media ad support for Hydrox cookies last year, nearly triple the previous year's measured spending. The cookie industry was particularly active in 1983 with many new entries appearing and precipitating an industry cookie war.

Sunshine continued its "Great cookies don't have to be expensive" campaign, unfurled in 1982 when it introduced smaller, low-price packages of

its Hydrox, Vienna fingers and other sandwich cookie lines.

New entries included Chip A Roos and Hi Ho crackers, which were reformulated and repackaged, and Sunshine bite-size shredded wheat cookies, which were introduced. The snacks division, meanwhile, introduced Compadres tortilla chips.

The Andrew Jergens Co., American Brands' personal care products unit, which posted a 5% sales increase last year, substantially increased its ad and marketing support in the face of stiffer competition, according to the company. The increased money went mostly to support established lineups, which include Jergens lotion and Jergens Aloe & Lanolin lotion. The Jergens lotion line was backed with \$3 million in measured spending in 1983.

Fiesta deodorant soap, a 1982 entry, got full-fledged ad support—\$2.5 million in measured spending. Squeek, a shampoo-conditioner which was introduced in 1982, went national last year. Gee Your Hair Smells Terrific, another shampoo-conditioner, meanwhile, has faded and received nothing in measured media spending in 1983.

The Acushnet Co. division, which makes Titleist and Pinnacle brand golf balls and golf accessories, had a 22% sales gain. Measured media spending for its golf balls was kept at \$3 million. Its golf clubs ad spending was doubled to \$1.4 million, the boost backing its new Pinnacle golf clubs.

American Brands' other major subsidiaries include Master Lock Co., the world's leading padlock manufacturer; Swingline Inc., which makes staplers and staples, and Wilson Jones Co., an office products manufacturer.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers	\$5,815,400	\$8,903,400
Magazines	\$5,472,900	\$2,279,500
Spot TV	2,508,800	1,539,000
Network TV	8,497,800	6,980,600
Spot radio	30,100	59,700
Network radio	104,500	—
Outdoor	12,499,900	12,314,400
Total measured	65,481,400	42,877,400
Unmeasured	10,108,700	10,194,600
Estimated total	75,590,100	53,072,000

AMERICAN TOBACCO CO.

Marketing Personnel
T.C. Hays, exec vp
W.J. Moore, vp-adv
N.H. Chester, media director
W.C. Stevenson, mktg controller
M.J. O'Neill, mktg services director
E.T. Bennett, senior rch analyst
H.W. Bahrenburg, product mgr, Carlton
E.J. Gesell, product mgr, Lucky Strike
J.A. McGinn, product mgr, Pall Mall, Tareyton
J.J. Mellett, media mgr
W. Degenhardt, media super
C.H. Mullen, senior vp-sales
T.F. McGuire, mgr-sales operations
S. Rosen, sales promos and merch director

Advertising Agencies
SSC&B, New York—Pall Mall, Tareyton, Tall, all smoking tobacco—Douglas Bomeisler, senior vp-mgmt super; Dan Bellucci, acct exec.

Laurence, Charles & Free, New York—Carlton, Lucky Strike, Silva Thins—Albert Magnane, vp-mgmt super; Malcolm Minor, vp-mgmt super; Thomas Keane, R. LaFrance, acct super.

SUNSHINE BISCUITS
Sayreville, New Jersey
Marketing Personnel
Jay R. Neidenberg, vp-mktg and U.S. snack operations

Robert M. Lorys, group product mgr
Harold B. Derstine, group mktg mgr
John Pendergast, cracker product mgr
Hedy Britton, cookie product mgr
Alexander Nichols, adv mgr
Alan Hiller, new products mgr
Janet Botti, associate product mgr

Advertising Agencies
Sherwood & Schneider, New York—Marvin Schneider, chairman-CEO; Lew Sherwood, president; Brendan Hawk, exec vp-genl mgr; Craig Bernard, acct super.

FRANKLIN LIFE INSURANCE CO.
Springfield, Ill.
Marketing Personnel
Jack Watson, senior vp-mktg

T.M. Costa, vp, director-sales promo
SOUTHLAND LIFE INSURANCE CO.
Marketing Personnel
Joe W. Hopkins, senior exec vp-mktg officer

Virgil L. Hooper, 2nd vp-director special mktg.

JAMES B. BEAM DISTILLING CO.
Chicago
Marketing Personnel
Victor Zast, vp-mktg and adv director

B.J. Bilcorkowicz, adv mgr
Advertising Agencies
Bozell & Jacobs, Chicago—Jim Beam

bourbon—Charles Brom, acct super.
BBDO, Chicago—Beam's Black Label bourbon, Beam's Choice bourbon, Dark Eyes Vodka, Chateaux Cordials—Doug Hector, acct super.

Marsteller Inc., Chicago—Kamora Imported Coffee Liqueur, Spey Royal Scotch, Beamero Tequila, Aalborg Akvavit—D. Brashears, acct super.

MASTER LOCK CO.
Milwaukee
Marketing Personnel
Peter U. Jung, vp-mktg

Harv Schneider, mgr-mktg services
Advertising Agency
Cramer-Krasselt, Milwaukee—consumer trade, intl adv—W. Faude, acct super.

WILSON JONES CO.
Chicago
Marketing Personnel
A.E. Fontenot Jr., vp-sales and mktg

R.F. Smock, vp-adv and mktg services
M.A. Rosenfeldt, adv mgr
Advertising Agency
Al Paul Lefton Co., New York—G. William Wolfston, vp.

ACME VISIBLE RECORDS
Crozet, Va.
Marketing Personnel
Irving M. Sloan, adv mgr

Advertising Agency
Al Paul Lefton Co., New York—G. William Wolfston, vp; Larry Wilson, acct rep.

ACUSHNET CO.
New Bedford, Mass.
Marketing Personnel
Wally R. Uihlein, senior vp-worldwide sales

Robert B. Forbush, vp-worldwide mktg
John W. Hoagland, business mgr-golf balls
Theodore S. Ingalls, business mgr-clubs & putters

Robert A. Shell, business mgr-accessories
Nicholas W.H. North, director-intl mktg

Rubber Division
Richard A. Jugg, director mktg and sales
Robert T. LaCrosse, mktg mgr-custom molded prods

Charles C. Gregory, field sales mgr
Roger M. Horning, field sales mgr
Ernest P. Amalal, mgr-natl accs

Jack W. Wagner, mgr-natl accs
Advertising Agency
Humphrey Browning MacDougall/Creamer Inc., Boston—John McNamara, acct super-golf div; Marty Curran, acct super-rubber div.

PINKERTON'S INC.
New York
Marketing Personnel
Garland R. Vance, asst vp-dir, mktg and business devels

William C. Bond, dir-adv and pr
Advertising Agency
Douglas Turner Inc., Newark, N.J.—Douglas J. Turner, acct super; Theresa S. Maul, acct exec.

THE ANDREW JERGENS CO.
Cincinnati, Ohio
Marketing Personnel
R.L. Dom, exec vp-mktg

R.V. Reed, vp-product mgmt
L.D. Cornell, vp-new prod devel
R.R. Culpin, vp-sales

Advertising Agency
Cunningham & Walsh, New York—Jergens Lotion, Jergens Aloe & Lanolin Lotion, Gee Your Hair Smells Terrific Shampoo and Conditioner, Jergens Lotion-Enriched soap, Gentle Touch soap, Fiesta Deodorant soap, Jergens Aloe & Lanolin soap, Jergens Clear Complexion products—Nathaniel B. Allan, senior vp-mgmt director; Carole Foxley, vp-acct super; Debra Ludgate, Jo Ann Barbieri, acct execs.

SWINGLINE INC.
New York
Marketing Personnel
David B. Miller, vp-sales and mktg

John Sheridan, director-sales and mktg, business machines div

Fred Weiss, vp-mktg devel and admin
Jack Shulman, vp-sales, office prods div
Anne Burritt, mktg services mgr, office prods div
Carol Mascolo, sales devel mgr, office prods div

John Peters, export mgr
Bill Gibbons, natl sales mgr, consumer prod div, retail stationery div
Anne Beirne, mktg services mgr, consumer prod and retail stationery div

Advertising Agency
Al Paul Lefton Co., New York—G. William Wolfston, president-mgmt super; Robert H.D. Ellis, vp.

MCM PRODUCTS
New York
Marketing Personnel
Daniel Roberts, natl sales mgr, W.R. Case & Sons Cutlery Co.

Alan Ritchie, president, Marson Corp.
Richard B. Turner, vp-sales and mktg, Marson Corp.

Robert M. Hewson, vp-sales and mktg, Marson Corp.
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Paul Greenberg, vp-sales and mktg, Marvel Lighting Corp.

Advertising Agencies
Al Paul Lefton Co., New York—W.R. Case & Sons—Bob Ellis, Rob Grundy, acct execs.

Ingalls Associates, Boston—Marson Corp.—Joseph Maynard, chairman.
Kolker, Talley, Hermann, New York—Marvel Lighting Corp.—Stanley Kolker, president.

Leslie Advertising Ltd., Don Mills, Ontario—Swingline of Canada Ltd.—Jerry Leslie, president.

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New York
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G.F. Ward, general sales mgr
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T.P. Tiernan, exec mgr-sales admin
J. Tessier, sales mgr-east
E.A. Vega, sales mgr-south

E.M. Totty, sales mgr-central
S.G. Dye, sales mgr-west
W.C. Bock, military sales mgr

Advertising Agency
SSC&B, New York—Roi-Tan, Antonio y Cleopatra, Bock y Ca, La Corona Cigars, Roi-Tan Little Cigars, A&C Little Cigars, Sail, Flying Dutchman, Clan and Blue Bear Smoking Tobacco—Ken Robbins, chairman-CEO; Hal Rover, vice chairman; Doug Bomeisler, senior vp-mgmt super; Sharon Treacy, Dan Bellucci, acct execs.

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western sales manager

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\$18.9 million, up 35.9% over 1982. Of this, \$18.2 million went to magazines.

The next major spender was ABC Movie of the Week with \$3.4 million, all placed in magazines. WA 3C (am) Radio, New York, which spent more than \$1.1 million in 1982, reduced its spending to \$658,300. Other radio stations increased ad spending, including WLS (am, fm), Chicago, with \$723,000, up from \$706,300 and WRIF (fm), Detroit, with \$421,500 down from \$396,300.

In 1983, ABC reported record revenues of \$2.95 billion, up 10% from 1982. Net earnings, however, dropped to \$159 million, a 0.1% decline.

ABC got a quick start out of the blocks for fiscal 1984 in gaining net earnings for the first quarter ending April 30, 1984, of \$23.9 million, a 72% increase, on revenues of \$836.7 million, up 26% over the first quarter in fiscal 1983. Momentum was expected to continue with ABC's coverage of the Olympic Games attracting a wide audience, with the residual benefit of exposing those tv viewers to ABC's fall

lineup promos. The tv coverage was the most comprehensive and extensive ever for a modern athletic event.

The year also marked the company's increased involvement in cable sports programming with the purchase of Entertainment & Sports Programming Network, the cable sports network in which the company already had a 15% stake. The purchase of the remaining 85% of ESPN from Texaco cost the company an estimated \$202 million.

In June, the company announced an agreement to sell WXYZ Radio, Detroit, to Fritz Broadcasting for an undisclosed sum.

The company said broadcasting operations, which have provided 86% of the total revenues of the company over the past several years, were the major contributor to both revenues and profits. Revenues increased 12% in 1983, to \$2.61 billion, as earnings increased 16%, to \$365.3 million.

ABC Television Network had increases in revenues and earnings in 1983. However, news costs increased as a result of reformatting the late-

night news programming and the coverage of the crises in Lebanon and Grenada. Costs of sports programming also increased because of a return to a full National Football League schedule after the strike the previous year and the coverage of Major League Baseball's World Series.

The ABC-owned tv stations reported increased revenues and earnings primarily as the result of a strong advertising marketplace. Similarly, ABC Radio showed good revenues and earnings growth.

ABC Publishing experienced a 10% increase in revenues, compared with a 70% decline between 1981 and 1982. Earnings rose 22% to a record \$29.2 million. COMPUTE! Publications, acquired in May, 1983, was a significant contributor to the improved revenues and earnings for the company.

ABC Video Enterprises revenues declined 10.6%, to \$13.4 million in 1983. The division's share of profits and losses from its joint cable ventures showed a loss of \$47.3 million in 1983, compared with a loss of \$32.4 million

in 1982. One of the major costs was the development of TeleFirst, an in-home entertainment recording service, which the company decided to discontinue after only a few months in operation.

In late 1983, the two Hearst/ABC Video Services cable programming services, ARTS and Daytime, merged with additional equity partners to form two new services. Daytime merged with Viacom's Cable Health Network to form Lifetime. ARTS merged with the Entertainment Channel to form the Arts & Entertainment Services.

ABC Motion Pictures, which released its third film, "Silkwood," at the end of 1983, reported increased revenues for the year, as well as a reduced operating loss.

In the early morning daypart, ABC's "Good Morning America" dominated its network competition for the fourth year in a row.

In daytime programming, ABC continued its dominance of the three networks, a position it has occupied since

1977. The network added a new series, "Loving," to its lineup of "All My Children," "General Hospital" and "One Life to Live."

In 1983, established ABC series such as "Dynasty" and "The Love Boat" were joined by three successful newcomers: "Hotel," "Webster" and "Hardcastle and McCormick." In addition, three theatrical presentations—"Something About Amelia," "Who Will Love My Children?" and "The Day After"—all received high audience recognition and critical acclaim. "The Day After" was the most-watched made-for-tv movie ever.

This year saw the cancellation of the popular "Hart to Hart" series, an announcement that was received with a considerable degree of disappointment by many viewers.

ABC finished the 1983-84 season with a 17.2 rating, nine-tenths of a rating point behind CBS. However, with the coverage of the Olympic Games being a focus of the network's coverage in the months of July and August, it is confident that it will return to the top of the ratings charts.

ABC pulled more viewers during the two-week Olympic coverage than the other two networks combined. It got a 24.9 rating and a 44 share of audience compared with a 9.6 rating and 16.9 share of audience for NBC, and an 8.9 rating and 15.8 share of audience for CBS. (A rating point equals 1% of the nation's 83.8 million homes with tv sets, and a share is the percentage of tv sets being watched.)

The ABC Owned Television Stations continue to lead all tv station groups in reaching young adults. Its performance in the five tv markets—where revenues rose about 13%—was roughly comparable to the increase. The company expects its stations to outperform the others in the markets in 1984, primarily because of the incremental revenues that are expected to result from the Olympic Games coverage.

ABC Radio got part of the increased market share being enjoyed by the networks, which moved from 48% of the market in 1982 to 53% in 1983. While radio industry revenues increased more than 12% in 1983 over 1982, the division performed considerably better than the industry segment.

ABC Publishing continued to show strong revenues through the performance of its Chilton Co., which is a diversified publisher of magazines and how-to books serving automotive, industrial, merchandising, transportation and international markets. In 1983, it added a new line of computer books for small businesses.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$16,303,700	\$16,299,300
Magazines.....	23,826,800	17,863,300
Spot tv.....	5,519,700	5,718,200
Spot radio.....	574,100	485,000
Network radio.....	408,900	415,300
Outdoors.....	537,300	1,102,700
Total measured.....	41,170,500	35,883,700
Unmeasured.....	7,997,000	6,977,000
Estimated total.....	49,167,500	42,860,700

ABC-TV NETWORK

Marketing Personnel

James E. Duffy, president-ABC Television Network and senior vp-ABC Broadcast

A. Goldberg, vp-mkt planning, strategy and social service
Mord, vp-mktg, tech services
Weller Kever, vp-sales

Warren Boorom, vp-genl sales mgr
Robert Silberberg, vp-natl sales mgr
John Lazarus, vp-sports mktg and sales
J. Larre Barrett, vp & director-sports sales
John Tiedemann Jr., vp-daytime sales
Alfred A. Smith, vp-director daytime sales
Robert Cagliero, vp-early morning sales
Marvin Goldsmith, vp-prime time sales

proposals
William Breen, vp-news sales
Anthony Rocco, vp-business devel
Charles Allen, vp-sales admin
Paul W. (Pete) Barrett, vp-sdv
Charles Gabelmann, vp-sales devel & affiliate projects

Madeline Nagel, vp-mktg
Edward Ryan, vp-eastern sales mgr
John Grace, vp-tv network sales, central div
Richard Wozniak, vp-tv network sales, Detroit

Douglas Streff, vp-tv network sales, western div
William Giliogly, vp-news sales, central div
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Roy Polevoy, vp-on-air promo, ABC

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Advertising expenditures as a percentage of U.S. sales in 1983 (\$000)

Category	Rank	Company	U.S. advertising expenditures	U.S. sales	Adv. as % of U.S. sales	Worldwide sales	Worldwide earnings (loss)
Food	3	Beatrice Cos.	\$402,775.4	\$ N/A	N/A	\$13,442,885.0	\$550,000.0
	10	General Foods Corp.	386,134.2	6,407,500.0	6.0	8,599,800.0	317,100.0
	11	Nabisco Brands	367,530.4	3,655,600.0	10.1	5,985,200.0	322,600.0
	16	McDonald's Corp.	311,378.0	7,069,000.0	4.4	8,687,000.0	342,640.0
	21	Ralston Purina Co.	285,667.4	3,848,600.0	7.4	4,900,000.0	256,000.0
	23	General Mills	268,690.2	5,100,000.0	5.3	5,600,800.0	233,400.0
	30	Dart & Kraft	210,279.4	6,905,300.0	3.0	9,714,000.0	435,100.0
	31	H.J. Heinz Co.	202,400.0	2,555,368.0	7.9	3,950,000.0	237,500.0
	33	Consolidated Foods Corp.	195,858.0	5,195,752.0	3.0	7,000,310.0	188,441.0
	34	Pillsbury Co.	190,944.3	4,160,000.0	4.6	4,172,000.0	169,800.0
	37	Kellogg Co.	176,306.9	1,560,000.0	11.3	2,381,100.0	242,000.0
	42	Quaker Oats Co.	148,441.7	1,623,500.0	9.1	3,340,000.0	138,700.0
	52	Campbell Soup Co.	126,000.0	2,760,000.0	4.6	3,292,433.0	250,000.0
	61	Nestle Enterprises	114,957.0	2,508,000.0	4.6	13,400,000.0	N/A
	64	IC Industries	112,100.0	3,375,000.0	3.3	3,730,000.0	92,700.0
	71	CPC International	96,627.3	1,525,900.0	6.3	4,010,900.0	136,200.0
	90	Wendy's International	64,445.0	1,908,000.0	3.4	1,922,913.0	55,220.0
	99	Carnation Co.	54,284.6	2,221,081.5	2.4	3,365,275.0	194,759.0
Automotive	4	General Motors Corp.	595,129.5	66,160,000.0	0.9	74,581,600.0	3,730,200.0
	7	Ford Motor Co.	479,060.0	33,000,000.0	1.5	44,454,600.0	1,866,900.0
	27	Chrysler Corp.	230,020.1	11,642,100.0	2.0	13,240,000.0	700,900.0
	54	Nissan Motor Corp. in U.S.A.	122,848.0	14,417,183.0	0.9	14,417,183.0	293,883.0
	60	American Honda Motor Co.	115,182.3	10,165,969.0	1.1	10,165,969.0	409,301.0
	62	Toyota Motor Sales U.S.A.	113,649.0	5,300,000.0	2.1	20,386,099.0	839,050.0
	63	Volkswagen of America	112,500.0	1,575,611.8	7.8	16,027,530.6	(23,493.0)
	69	American Motors Corp.	100,800.7	3,271,720.0	3.1	3,271,720.0	(146,730.0)
	81	Mazda Motors of America	74,500.0	5,846,280.0	1.3	5,846,280.0	109,890.0
Pharmaceuticals	96	Goodyear Tire & Rubber Co.	57,831.7	6,794,200.0	0.9	9,735,800.0	305,500.0
	13	Warner-Lambert Co.	343,553.5	1,822,000.0	18.9	3,108,325.0	200,496.0
	14	American Home Products Corp.	333,485.0	3,482,300.0	9.6	4,856,501.0	627,233.0
	17	Johnson & Johnson	295,328.8	3,600,000.0	8.2	3,610,000.0	281,800.0
	38	Sterling Drug	171,828.1	703,433.0	24.4	1,901,171.0	136,844.0
	41	Richardson-Vicks	150,813.9	667,134.0	22.6	1,200,500.0	71,900.0
	59	Schering-Plough Corp.	117,914.2	985,200.0	12.0	1,808,500.0	190,100.0
	72	Miles Laboratories	89,063.8	784,000.0	11.4	1,115,400.0	35,500.0
	83	Pfizer Inc.	72,084.3	1,950,000.0	3.7	3,750,000.0	447,100.0
Airlines	68	Trans World Corp.	101,503.3	3,221,788.0	3.2	5,240,000.0	(7,700.0)
	76	AMR Corp.	80,000.0	4,763,307.0	1.7	4,763,307.0	227,867.0
	78	UAL Inc.	77,200.0	6,021,840.0	1.3	6,021,840.0	142,045.0
	86	Eastern Air Lines	70,600.0	3,500,000.0	2.0	3,942,134.0	(183,667.0)
	92	Delta Air Lines	63,944.3	3,616,413.0	1.8	3,616,413.0	(86,700.0)
Communications and entertainment	25	Warner Communications	251,049.6	2,715,940.0	9.2	3,425,272.0	(417,803.0)
	29	RCA Corp.	212,300.0	8,010,000.0	2.7	8,977,300.0	240,800.0
	39	CBS Inc.	167,711.0	3,900,000.0	4.3	4,540,184.0	187,198.0
	44	Gulf & Western Industries	145,500.0	3,443,000.0	4.2	3,992,601.0	263,320.0
	56	Time Inc.	119,785.0	2,529,000.0	4.7	2,717,000.0	143,000.0
	80	MCA Inc.	74,543.6	1,254,583.0	5.9	1,584,539.0	147,160.0
	100	American Broadcasting Cos.	49,167.5	2,948,849.0	1.7	2,948,849.0	159,834.0
Tobacco	5	R.J. Reynolds Industries	593,350.3	10,769,000.0	5.5	13,533,000.0	835,000.0
	6	Philip Morris Inc.	527,481.8	9,303,100.0	5.7	12,975,900.0	903,500.0
	43	Batav Inc.	146,076.9	6,064,000.0	2.4	6,064,000.0	259,000.0
	48	Loews Corp.	135,115.1	5,260,075.0	2.6	5,260,075.0	241,242.0
	79	American Brands	75,590.1	3,048,100.0	2.5	7,093,392.0	950,298.0
	97	GrandMet U.S.A.	55,566.2	1,340,000.0	4.1	1,340,000.0	84,428.0
Toiletries and cosmetics	26	Bristol-Myers Co.	235,000.0	2,889,300.0	8.1	3,917,000.0	408,000.0
	35	Gillette Co.	185,604.4	1,020,000.0	18.2	2,183,297.0	145,076.0
	46	Chesebrough-Pond's	141,324.5	1,310,242.0	10.8	1,685,417.0	127,878.0
	50	Beecham Group p.l.c.	134,126.8	2,800,000.0	4.8	2,800,000.0	385,000.0
	53	Revlon Inc.	123,968.9	1,660,930.0	7.5	2,378,867.0	111,203.0
	87	Cosmair Inc.	69,955.0	480,000.0	14.6	600,000.0	N/A
	94	Noxell Corp.	58,264.4	255,414.0	22.8	304,300.0	23,295.0
Wine, beer and liquor	20	Anheuser-Busch Cos.	290,616.4	6,658,500.0	4.4	6,658,500.0	348,000.0
	57	Jos. E. Seagram & Sons	119,604.4	1,639,000.0	7.3	2,647,552.0	117,500.0
	82	Stroh Brewery Co.	73,532.4	1,561,000.0	4.7	1,546,000.0	N/A
	84	Brown-Forman Distillers	70,500.0	885,009.0	8.0	1,146,343.0	73,554.0
	93	Adolph Coors Co.	63,621.3	1,110,406.0	5.7	1,110,406.0	89,261.0
Soaps and cleaners	1	Procter & Gamble Co.	773,618.3	9,554,000.0	8.1	12,946,000.0	890,000.0
	15	Unilever U.S.	324,865.8	2,808,000.0	12.2	3,328,000.0	125,800.0
	24	Colgate-Palmolive Co.	268,000.0	2,200,000.0	12.2	4,865,000.0	381,000.0
	74	S.C. Johnson & Son	86,970.3	880,000.0	9.9	2,000,000.0	N/A
Chemicals and gasoline	88	Clorox Co.	69,429.0	824,419.0	8.4	974,566.0	79,709.0
	18	Mobil Corp.	294,932.5	23,900,000.0	1.2	58,998,000.0	1,503,000.0
	45	American Cyanamid Co.	142,400.0	2,388,662.0	6.0	3,535,500.0	166,400.0
	67	Du Pont	102,637.0	25,832,000.0	0.4	35,378,000.0	1,127,000.0
Gum and candy	73	Union Carbide Corp.	88,000.0	6,189,000.0	1.4	9,001,000.0	79,000.0
	55	Mars Inc.	120,350.5	N/A	N/A	2,083,000.0	N/A
	89	Hershey Foods Corp.	68,257.4	1,700,000.0	4.0	1,700,000.0	100,160.0
	91	Wm. Wrigley Jr. Co.	3,948.2	406,472.0	15.7	581,688.0	39,164.0
Retail chains							
	2	Sears, Roebuck & Co.	500.0	32,637,000.0	2.2	35,883,000.0	1,342,000.0
	9	K mart Corp.	40,000.0	17,785,700.0	2.2	18,600,000.0	492,300.0
Soft drinks	19	J.C. Penney Co.	292,451.0	11,565,000.0	2.5	12,078,000.0	467,000.0
	12	PepsiCo Inc.	356,400.0	6,714,000.0	5.3	7,895,936.0	284,111.0
	22	Coca-Cola Co.	282,150.0	4,071,400.0	6.9	6,829,000.0	558,800.0
Electronics and office equipment	40	Tandy Corp.	156,728.0	2,354,000.0	6.7	2,780,000.0	281,900.0
	47	Eastman Kodak Co.	141,318.9	6,435,000.0	2.2	10,170,000.0	565,000.0
	51	Texas Instruments	129,042.0	3,295,000.0	3.9	4,579,800.0	(145,400.0)
	58	International Business Machines Corp.	119,222.5	23,100,000.0	0.5	40,180,000.0	5,485,000.0
	65	Xerox Corp.	110,101.8	5,300,000.0	2.1	8,463,500.0	466,400.0
	70	Sony Corp. of America	97,283.2	1,356,047.0	7.2	4,747,953.0	127,312.0
	95	Canon U.S.A.	58,032.9	860,174.3	6.7	966,448.0	N/A
Telephone equipment	98	Coleco Industries	55,216.4	526,051.0	10.5	596,498.0	(7,433.0)
	8	American Telephone & Telegraph	463,095.5	67,648,000.0	0.7	69,848,000.0	248,700.0
	49	ITT Corp.	134,229.0	12,430,000.0	1.1	20,249,842.0	674,510.0
Miscellaneous	85	GTE Corp.	70,179.9	10,900,000.0	0.6	12,943,918.0	995,604.0
	28	U.S. Government	228,887.2	N/A	N/A	N/A	N/A
	32	General Electric Co.	196,506.6	17,649,000.0	1.1	26,797,000.0	2,024,000.0
	36	Mattel Inc.	179,934.8	840,000.0	21.4	989,495.0	(94,100.0)
	66	American Express Co.	187,571.0	7,352,000.0	1.5	9,770,000.0	515,000.0
	75	Greyhound Corp.	83,564.0	2,625,031.0	3.2	2,625,000.0	105,500.0
	77	Kirshenly-Clark Co.	77,460.0	2,325,800.0	3.3	3,274,300.0	189,000.0

Source: AA's estimates and company sources

* Earnings from continuous operations

** Includes Latin America

*** Net loss from continuing operations

Entertainment
 Stuart L. Brower, vp-on-air promo, creative services, ABC Entertainment
 Dennis Fitch, vp-adv, West Coast, ABC Entertainment
 Peter Dimmock, vp-intl

ABC Owned TV Stations

Elio Betty, vp-sales and mktg

Phyllis Green, director retail mktg

ABC-TV Spot Sales

Walter Flynn, vp-genl mgr

Georgia Breza, director-planning and rch svcs

Philip Sweeney, genl sales mgr

ABC Radio Networks

Louis J. Severine, vp-director of sales

Arthur Sulzburger, vp-natl sales mgr

Dan Perry, vp-western sales mgr

Joseph Kelly, vp-Detroit sales mgr

Robert Watson, vp-eastern sales mgr

Dennis Glynn, vp-central sales mgr

Rhonda Hack, mgr-southwestern sales

Michael A. Winter, director-creative services

Linda Meilan, director-sales admin

David Logan, sales mgr-mkt devel

Blaise Leonardi, sales mgr-youth networks

Frank Loece, sales mgr-adult networks

ABC Video Enterprises

Archie C. Purvis Jr., vp-video sales div

Marvin Hunter, director-cable/cassette mktg, video sales

Carol E. Francesca, director-ABC Merchandising Inc.

ABC Publishing

William J. Liss, vp-creative services

Advertising Agencies

Grey Advertising, New York—ABC-TV

movies for tv, miniseries—Len Fogge, vp;

Donald Foley, genl mgr-entertainment & leisure; Bob Griffin, acct super; Chris Pula, acct exec.

McCaffrey & McCall, New York—ABC-TV

sports, theatricals, all other entertainment

dayparts—Norman Freedman, group

acct mgr; Patrick Corrigan, acct super;

sports; George Rojaf, acct super-entertainment.

N W Ayer, New York—ABC-TV news—

Tom Maxey, exec vp-exec acct director;

Irwin Fischer, vp-acct super.

American Cyanamid Co.

	1983	1982
Sales*	\$3,535,000,000	\$3,453,674,000
Earnings*	166,000,000	132,127,000
U.S. Advertising	142,000,000	133,000,000

*Worldwide

American Cyanamid, Wayne, N.J., is the 45th largest advertiser in the U.S. with \$142.4 million spent in advertising in 1983, up 7% from the previous year.

Worldwide sales were up 2.6% in 1983, to \$3.54 billion, from 1982. Net earnings rose to \$166.4 million, up 26% over the previous year, which had been down 33% from 1981.

The company cited internal cost reduction and improved management programs as reasons for its improved earnings. In addition, the company's divestiture of unprofitable product lines proved helpful in raising profit margins.

The consumer products group, one of American Cyanamid's five operating groups, had a 1.6% increase in worldwide sales to \$508 million in 1983. This total, as it has over the past six years, accounts for 14% of company sales. Worldwide earnings in the division rose 56%, to \$25 million, from \$16 million in 1982. The 1982 figure had been a 47% decline from 1981.

U.S. sales of Shulton toiletries continued to gain. In fragrances, deodorants, antiperspirants and haircare products, market share also increased.

In its first full year, Lady's Choice antiperspirant progressively grew in sales. Ad spending in 1983 was \$5.4 million, with \$5 million concentrated on network tv. In 1982, the company spent \$5.7 million advertising Lady's Choice.

The Old Spice line of products chalked up good sales gains with the stick deodorant and solid antiperspirant. On the stick deodorant, spending was down from \$4.3 million in 1982 to \$1.1 million in 1983. Most of the money was spent on network tv. For the solid dry antiperspirant, \$103,000 was spent solely on spot tv. Money spent to advertise the two products together hit \$5.4 million, with most concentrated in network tv.

The Old Spice fragrance, which the company spent \$6 million to advertise

in 1983, strengthened its No. 1 position in the total mass fragrance market. It showed its best sales and market share gains in recent years. A new tv ad campaign, heavily concentrated on network buys, began and Old Spice conditioning aftershave lotion was introduced.

Declines in Breck Hair Care products were reversed as the company spent \$685,000 to advertise the Miss Breck and Breck Basic hair sprays, as well as Breck shampoo.

Pine Sol liquid cleaner retained its No. 1 position and continued to increase sales. Ad spending for the Pine Sol line reached \$7.3 million, up from \$6.4 million in 1982. In 1983, Pine Sol shifted agencies, moving from BBDO to Carrifello, Diehl & Associates, Irvington, N.Y.

U.S. sales of prestige fragrances were down slightly, due to flat real growth and increased competition. The Jacqueline Cochran subsidiary showed an over-all sales increase, with the acquisition of Swiss La Prairie skincare line contributing to the gain. Ad spending for the line was \$103,700 and was concentrated in national magazines.

Media advertising for the prestige fragrances totaled \$6.5 million, up 4% from 1982. Among the perfume lines, L'Air du Temps was the biggest spender with \$2.5 million, up 38% from 1982; Cie got \$990,400; down 45%; Fleur de Fleur dropped substantially, to \$119,900, 'own 82%. Pierre Cardin for women was not advertised.

Pierre Cardin cologne gained ad support with \$1.9 million in 1983, up 60%. Grey Flannel got \$899,600, up 56% from 1982.

In an unusual move termed "an investment for the ad-supported future," Shulton USA took an equity position in a syndicated tv program, "Stars," with David Steinberg interviewing celebrities, put together by the Paramount TV Group. Shulton also developed an advertising campaign tied into the 1984 Olympics.

Media buying for Shulton, Jacqueline Cochran and Lederle Labs in the medical group—which represents \$35 million in spending—was switched from BBDO to Dancer Fitzgerald Sample in 1983.

Worldwide sales for the Formica-brand unit declined 9.1% in 1983, but showed improved first quarter earnings in 1984. While U.S. sales were up, sales in Latin America declined more than 40% due to over-all poor economic conditions. That factor, along with reduced sales in Europe, led to lower results for the group. By midyear of 1984, American Cyanamid was looking for a buyer for the unit because, as a company spokesman said, the group's cyclical business nature did not mesh with the company's current strategies.

During 1983, the division successfully launched the Colorcore brand of surfacing material in several key U.S. markets where the product demonstrated excellent sales growth. Ad spending was \$868,000 on Formica, \$443,300 on Colorcore, with heavy concentration for both in magazines.

In the medical group, sales made up 27% of the corporate total with figures up 9.5% from \$884 million in 1982 to \$968 million worldwide. Earnings, up an impressive 145%, represented 50% of the corporate total.

The company's increased commitment to research and development, which has taken on large expenditures over the past five years—up 13%, to \$215 million, in 1983 compared with 1982—has begun to show results.

In the medical group, the company credited a more up-to-date product mix with helping over-all sales. In this area, Lederle Labs and Davis & Geck cover nonprescription and prescription business to consumers and hospitals. In addition, the company maintains an equity interest in Cytogen Corp., with which it signed a research agreement in 1983 to develop a new anticancer drug delivery system.

Pipracil brand of piperacillin, a semi-synthetic penicillin launched in 1982, continued to lead the division in sales.

The Lederle Labs division recorded dynamic sales growth—up 35% for both adult and Jr. Centrum multivita-

min. In 1983, after just four years on the market, the product became a market leader. Centrum was American Cyanamid's single most heavily advertised product with \$8 million spent in 1983, down 14% from 1982. Centrum Jr. products for children received \$1.3 million in ad spending, mostly in network tv and magazines. Total advertising spending on the Centrum line reached \$9.4 million, 17% of the company's ad budget, as spending for all vitamins reached \$16 million.

Spartus, a nutritional supplement introduced in 1983, received \$2.1 million in advertising, including \$1 million in network tv and \$390,000 in spot tv. Ad spending for Streastabs reached \$3.6 million, 74% of it in network tv.

In early 1984, another supplement, Caltrate 600, a high-potency calcium supplement for women, was introduced with a multi-million-dollar, multimedia campaign breaking in February. During the first four months of 1984, it had gleaned a 10.2% share of the combined food and drug market.

In 1983 separate research and operating divisions were created for Davis & Geck surgical sutures.

In the agricultural group, worldwide sales in 1983 rose 2.1%, to \$747 million, from \$731 million in 1982. While sales from this group comprise 21% of the corporate total, earnings were only 12% of the total. Reduced plantings spurred by the federal government's Payment in-Kind (PIK) program resulted in lower sales of crop protection chemicals. Due to a worldwide industry overcapacity, lower prices for fertilizers had an impact on earnings.

Building on the basic strengths of the business by introducing new products in the animal industry area, Cyanamid introduced two new products for cattle in 1983: Tramisol gel dewormer and Guardian insecticide ear tags. Another product, Maxforce roach control system, was introduced and sales figures, although unavailable, reportedly exceeded expectations.

The company spent \$749,000 on spot tv advertising for herbicides and insecticides. Three herbicides from a new chemical class began field trials. Cygro, a potent agent to protect poultry from a debilitating disease, will be introduced overseas in 1984 with an eye toward 1986 for a U.S. market tryout.

The chemical group increased sales to \$973 million in 1983 from \$866 million in 1982. Operating earnings were significantly higher, \$72 million in 1983 from \$38 million in 1982, up 90%. The company attributed lower raw material costs, an improved product mix and effective cost reduction programs to the earnings boom. Elimination of general product lines helped the totals.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$969,600	\$204,800
Magazines.....	7,441,900	6,372,500
Radio.....	3,449,100	—
Spot tv.....	8,743,700	9,141,500
Network tv.....	35,257,900	36,839,800
Spot radio.....	1,088,900	1,749,400
Outdoor.....	2,600	2,600
Total measured.....	56,953,700	54,310,600
Unmeasured.....	85,446,300	78,692,000
Estimated total.....	142,400,000	133,002,600

AGRICULTURAL DIVISION

Marketing Personnel

T.J. Raser, adv mgr-crop protection chemicals

W.J. Reynolds, adv mgr-animal nutrition & health

Advertising Agencies

Bergelt Advertising, New York—poultry food prods, feed additives—E.C. Bergelt, acct super.

Tucker Wayne & Co., Atlanta—Counter, Avenue, Prowl, Thimet, Cygon, Cyprax, Pay-Off, Amdro, Maxforce—L.E. Ver Steegh, mgmt super; Mark Kirkpatrick, acct super.

H.T. Fenton, Somerville, N.J.—Arsenal, Cythion.

Miller-Meister, Minneapolis—Pesticides prod publicity.

Richardson, Myers & Donofrio, Baltimore—animal industry prods—Roger Randall, acct super.

CONSUMER PRODUCTS

SHULTON U.S.A. DIVISION

Marketing Personnel

R.G. Bryan, vp-mktg

G. Ball, as, mgr-fragrances

A. Low, mgr-deodorants

J. Janis, mgr-new ventures

T. Kuhn, mgr-hair care/hard surface cleaner

J. O'Brien, director-new category devel
 K. Freeman, director-new ventures
 L. Lent, director-mktg services
 J. Gibbs, director-adv services
JACQUELINE COCHRAN INC.
 DIVISION

Marketing Personnel

P. Masturzo, genl mgr J.C.

A. Rowland, genl mgr-La Prairie

B. Kotlikoff, vp-mktg, Ricci prods

T. Moloney, mktg mgr-Cardin

B. Gyde, vp-mktg, women's fragrances

R. Kapur, vp-mktg, men's fragrances

Advertising Agencies

BBDO, New York—Nina Ricci/Pierre

Cardin—Jack Thorne, exec vp; M. Paxton,

senior vp; B. Day, vp-acct super.

Peter Rogers Associates, New York—Niki

de Saint Phalle—J. Tabaczky, mgmt director;

L. Chasman, acct super.

FIBERS DIVISION

Marketing Personnel

W. DeMartine, vp-mktg

J.B. Simmons, mgr-mktg communications

Advertising Agency

Grey, Lyon & King, New York—Creslan

Acrylic fibers—E. Wollin, vp-acct mgr.

FORMICA CORP.

Marketing Personnel

V.P. Langone, mktg director

N.R. Mathews mktg mgr

R.H. Kilbury, communications mgr

Advertising Agency

Geers, Gross Advertising, New York—D.

Kurtz, president.

SHULTON INC.

INTERNATIONAL DIVISION

Marketing Personnel

B.W. Morgan, vp-mktg

R. Vigue, mgr-mktg services

INDUSTRIAL PRODUCTS

DIVISION

Marketing Personnel

M.R. O'Rourke, mgr-mktg communications

Advertising Agencies

Hazard, Barbetta & Miller, Fairfield, N.J.

—T. Brogan, acct exec.

LEDERLE

LABORATORIES

Marketing Personnel

Pharmaceutical Dept.

L.E. Tilton, genl mgr-proprietary products

R.M. Lynch, director-mktg, proprietary

prod

H.H. Spoon, director-mktg

Davis & Geck Dept.

Marketing Personnel

K.F. Wilson, president

D.A. Sullivan, director-professional and

trade relations

Advertising Agencies

Carrifello, Diehl & Associates, Hudson,

N.Y.—T. Sweeney, acct exec.

Klemmer Advertising, New York—Gabin

Scotti, acct super.

Rolf Werner Rosenthal Inc., New York—

H. Messinger, mgmt acct super; R. Recoba,

acct super.

Dugan/Farley Communications, Mont-

vale, N.J.—E.J. Farley, exec vp.

CHEMICAL PRODUCTS

DIVISION

Marketing Personnel

M.R. O'Rourke, mgr-mktg communications

Advertising Agencies

Wildrick & Miller, New York—W. Doyle,

acct exec.

Hazard, Barbetta & Miller, Fairfield, N.J.

—T. Brogan, acct exec.

INTERNATIONAL AND

LATIN AMERICA GROUP

Medical Products

Marketing Personnel

K.M. Sethna, director mktg-Lederle prods,

Cyanamid International

J.L. Ackermann, director-D&D prods

D. Pritchard, director-medical Latin

America group

Chemical Products

Marketing Personnel

A.C. Bell, director-chemicals, Europe, Mid-

East, Africa, Cyanamid International

W.J. Murray, director-Canada, Asia, Austral-

asia, Cyanamid International

L.D. Frattaroli, director-Latin America

group

Medical Products

Advertising Agencies

AM/PM Advertising, Newark, N.J.—R.

Saks, R. Hodes, partners.

D.M. Advertising, New York—D.F.

McGuillcuddy, president.

Klemmer Advertising, New York—L.A.

Davies, acct super.

Landi & Handler, New York—G.M. Nai-

mark, president; D. Barba, art director.

Chemical Products

Advertising Agency

Rebell International—Warren Rebell,

president.

creased advertising expenditures 12.5% in 1983, to an estimated \$107.6 million, from 1982. Total worldwide spending for advertising and promotion increased 22.5%, to \$384 million in 1983.

For the first time in 36 years, the company failed to post earnings gains over the previous year, thanks largely to a dismal year at the company's Fireman's Fund Insurance Cos. unit, where net income plummeted 88% from 1982, to \$30 million in 1983, and to a \$99 million loss, half of which was borne by American Express, at the company's cable tv venture with Warner Cable Communications, Warner Amex Cable Communications.

The earnings drop did not keep American Express off the acquisition trail, however, as the company completed the acquisition in January, 1984, of Investors Diversified Services, now IDS/American Express, and bought Lehman Brothers Kuhn Loeb for \$360 million in June. Lehman was merged into the company's Shearson/American Express unit, which became Shearson Lehman/American Express. By mid-1984, American Express was gaining fast on Merrill Lynch, Pierce, Fenner & Smith for the leadership spot in the brokerage industry.

The news was bright in 1983 for three of the company's main business units. At Travel Related Services, net income was up 22%, to \$301 million, as the number of American Express Cards in use rose to 17.3 million from 16 million in 1982. Shearson/American Express posted one of the best profit records on Wall Street, with \$175 million in earnings growth representing a 41% rise over 1982. And American Express International Banking Corp., which was combined in 1983 with certain non-U.S. banking subsidiaries of Trade Development Bank Holding S.A., posted a 126% growth in net income to \$136 million, primarily because of the combination.

Warner Amex Cable Communications had an active year, albeit unprofitable. Former U.S. Transportation Secretary Drew Lewis was named chairman-ceo in February. The unit implemented several new strategies aimed at streamlining operations, including the layoff of more than 200 employees.

The merger of Warner Amex's The Movie Channel with Viacom's Showtime, both pay tv services, was consummated in September, creating a subscriber base of more than 7 million homes

for retail purchasing.

McCann-Erickson, New York, continued its "Minds over Money" campaign for Shearson/American Express through 1983, with the equivalent of long copy ads on tv. In June, 1984, the agency began a new campaign, with the same general theme, adding the Lehman name. The agency also continued ads for the Gold Card, which use only print media and don't use a consistent theme line.

In August, American Express planned to begin rolling out its new Platinum Card to the top 5% of its card holders. Solicitation will be by direct mail. There will be no media advertising.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$12,336,700	\$11,840,300
Magazines.....	15,651,500	12,088,600
Spot tv.....	13,650,900	15,190,100
Network tv.....	22,417,100	24,253,400
Spot radio.....	4,685,600	2,899,400
Network radio.....	3,031,200	—
Outdoor.....	67,100	17,500
Total measured.....	71,840,100	66,289,300
Unmeasured.....	35,730,900	29,168,700
Estimated total.....	107,571,000	95,458,000

AMERICAN EXPRESS TRAVEL-RELATED SERVICES

New York

Marketing Personnel

Richard D. Rosenbloom, vp-adv, world-

wide

John C. Sutphen, senior vp-consumer

mtg/card products

Morris Perlis, senior vp-service establish-

ment mktg and sales

Frank J. Partel, senior vp-financial services

institutions mktg and sales

SHEARSON LEHMAN/ AMERICAN EXPRESS

New York

Marketing Personnel

Catherine Stewart, senior vp-director

consumer mktg and adv

FIREMAN'S FUND INSURANCE COS.

San Francisco

Marketing Personnel

David Kalis, vp-corp public relations

Advertising Agencies

Ogilvy & Mather, New York—cards, trav-

elers cheques, travel services, intl banking—J. Brendan Ryan, senior vp-director of account mgmt; Rochelle Lazarus, senior vp-group director; Patricia Deneroff, vp-mgt super, travelers cheques; Scott Marshall, vp-mgmt super, card; Gwenn Sobel, vp-acct super, IDS/American Express.

Cunningham & Walsh, San Francisco—insurance—Edward R. Bennett, senior vp-mgmt super; Betsy Homsher, acct super.

McCann-Erickson, New York—American Express Gold Card, Shearson Lehman/American Express—Lia Hooper, senior vp-acct director, gold card; Stanley Adams, senior vp-mgmt representative, Shearson Lehman/American Express; Robert Marden, vp-acct director, Shearson Lehman/American Express.

American Home Products Corp.

	1983	1982
Sales*	\$4,854,591,000	\$4,581,096,000
Earnings*	627,233,000	560,183,000
U.S. Advertising	333,485,000	325,395,700

* Worldwide

American Home Products Corp., New York, the 14th largest national advertiser, increased its advertising to an estimated \$333.5 million in 1983, a 3% boost from the previous year. It was the drug, food and household product marketer's 31st consecutive year of increased sales and earnings.

Total sales rose to \$4.857 billion in 1983 6% over 1982. Each segment of the business reported a gain in U.S. sales, although foreign sales, measured in U.S. dollars, showed a decline because of the strong dollar. Net income for the corporation increased 12%, to \$627.2 million.

That growth pace continued into 1984 with first-quarter sales reported at \$1.3 billion, a 5% gain over the similar period in 1983, and net income registered at \$172.9 million, a 10% increase over the year-earlier period.

Prescription drugs and medical supplies, the largest portion of American

Home's operations, inched even further upward in importance, accounting for 48% of total sales and 63% of pretax income in 1983, a 1% increase in both cases from the previous year.

The product areas where American Home is focusing its medical growth are in cardiovascular drugs, anti-arthritis and analgesics, oral contraceptives, tranquilizers and infant nutritionals. The company filed 11 new drug applications with the Food & Drug Administration last year.

But the drug development that had the most impact on the company's advertising budget had to do with the FDA giving approval to Upjohn Co. and American Home to market the popular anti-arthritis prescription drug ibuprofen as a nonprescription pain reliever. As a prescription drug, American Home's Whitehall Laboratories' brand, Advil, had about \$220 million in sales.

That approval came in May, 1984, and the next month American Home launched a \$50 million ad campaign through Young & Rubicam to introduce Advil as an over-the-counter drug. However, by mid-July, American Home was adjusting its campaign in response to a suit filed by Upjohn alleging that the Advil advertising was "misleading and deceptive."

With brands such as Anacin and Dristan, packaged medicines are a major business area for American Home. Packaged medicines, which accounted for 13% of sales and 13% of profits in 1983, rose 5% in sales and 17% in pretax income last year. Whitehall Laboratories is the division that markets such industry-leading packaged medicines as Anacin, Dristan, Preparation H and Primatene, along with Advil.

Whitehall, which spent \$135 million in advertising last year, sought to expand its franchise in the 18 product markets in which it competes. It added to the Anacin-3 line by introducing Regular Strength Anacin-3 and Anacin-3 for children. In the specialty analgesics field, it extended the Arthritis Pain Formula line with the introduction of Safety-Coated Arthritis Pain Formula. In measured media, Whitehall spent a six-media total of \$25.3 million on Anacin, \$27 million on Anacin-3, \$26.1 million on Dristan, \$5.5 million on Denorex medicated shampoo, \$5.2 million on Arthritis Pain Formula, \$13 million on Preparation H and \$7.3 million on Primatene.

But Whitehall also entered a new major business area with the introduction of Youth Garde lotion into the skincare treatment market. In advertising prepared by Kornhauser & Calene, Youth Garde used Catherine Deneuve as spokeswoman as it took aim against Richardson-Vicks' Oil of Olay, the major force in the estimated \$400 million facial moisturizing category. Launched in July, Youth Garde received \$8.2 million in advertising support in measured media figures in 1983.

Another AHP otc product, Riopan, which is marketed by Ayerst Laboratories, received \$6.8 million in measured six-media advertising. Its share grew to 12% of the \$200 million liquid antacid market, but late in the year the product ran into some controversy. William H. Rorer Inc., the marketer of category leader Maalox (40% share), sued AHP, charging misleading claims for Riopan Plus in comparative ads aimed at Maalox. Rorer alleged Riopan Plus advertising claimed it was more effective than Maalox, although

it had only lab tests to support its claims and no tests involving humans. The case has been settled to the satisfaction of both companies.

Besides Riopan Plus, Ayerst moved further to build its otc line, its third year of activity in this direction. One step was to expand the Riopan line with a tablet product to compete in the large roll-pack market. Except for Riopan, other Ayerst otc products did not receive very heavy advertising, with \$617,300 spent on Beminal Stress Plus Vitamins and \$892,000 on Dermo-plast.

Food and household products sales in the U.S. were up 6% in 1983, with about a third of that increase the result of Ranch Style Inc., a processor and marketer of bean products in the Southwest. While household and candy operations both were up in sales and profits, heavy price competition depressed profits for food products.

In 1982, there were a number of product reassignments to ad agencies in the household products area. Last year, none were reported. But in 1984, there were some food reassignments related to Young & Rubicam adding Ronzoni macaroni when General Foods purchased that company. Cunningham & Walsh, another American Home Foods agency, picked up about \$15 million in Chef Boy-Ar-Dee pizza mixes, dinners and spaghetti sauces, and Kornhauser & Calene had about \$2 million in Dennison's chili billings.

Y&R retained Chef Boy-Ar-Dee canned pastas, the industry leader in the \$400 million retail canned pasta market, and the largest AHF assignment the agency was handling. All Chef Boy-Ar-Dee products received a total of \$16.5 million in six-media measured advertising in 1983. New product introductions under this label were concentrated in the children's lunch market with the launches of such products as Zooroni, animal shaped macaroni in tomato sauce; Cosmic Kids, chicken flavored pasta in sauce, and Pac-Man, a new pasta introduced under license. Chicken-flavored ravioli also was introduced.

In soups, Chef Boy-Ar-Dee Soup di Pasta and Luck's Country Style soups, both introduced in 1982, added a combination of 10 varieties last year. Other foods, such as Gulden's mustard, received \$1.4 million in advertising in 1983 while Franklin Crunch 'N Munch, which has been growing at 30% a year, added new flavors and introduced new sizes.

Led by its Pick-a-Mix products, the company's Brach's candy increased sales by 7% last year. Following a successful test market, Hula Chews, a chocolate-covered coconut candy, was rolled into national distribution. Another product, Peanut Butter Putters, was launched into test. Gum Dinger, a bubble gum and candy lollipop, was expanded to the western sales region. Measured advertising for the various Brach's products was \$4.9 million last year.

With strong gains posted by Woolite, Pam and Sani-Flush, the company's Boyle Midway household products division increased sales by 7% last year. Generally the division has been profiting from increased consumer demand for convenience products that save time and effort. Sani-Flush Tank II bowl cleaner, which was introduced at the end of 1982, received \$5.3 million in advertising last year and became Boyle-Midway's most successful first-year sales achiever in terms of volume.

The Easy-Off line, which received \$9 million in advertising, was expanded with the national introductions of Easy-Off Ovens and More, and Easy-Off Oven Pad. There were 11 new fresheners added to the Wizard air freshener line last year, which received \$1.1 million in advertising. Other major brands receiving top-dollar ad support were Woolite (\$14.8 million) and Black Flag (\$5.2 million).

In the cardiovascular group, Ayerst Laboratories' Inderal became the most prescribed drug in the U.S.; it also received FDA approval for use by patients who have survived a heart attack, and it was being tested for treatment of acute heart attacks. Plans also were made to introduce Betacor in 1987, a drug considered significantly more potent than Inderal.

In the oral contraceptive area, Wyeth Laboratories filed a new drug application for Triphasil. In the infant nutritional market, it is expanding distribution of Nursoy, a soya base formula for infants allergic to cow's milk, and internationally, Promil, a milk food to enrich the diet of older babies.

The company also announced it was seeking a buyer for its Ekco Group of housewares and related operations because that group's return on investment did not meet AHP standards over the long term. In mid-1984, letters of intent were executed with a division of Tenneco Inc. for the sale of Ekco Products and with a group organized by Gibbons, Greene, von Amerongen, Ltd. for the sale of Ekco Housewares and E-Z for corporation.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$1,754,100	\$2,090,700
Magazines.....	21,321,000	13,259,400
Print publications.....	605,000	513,200
Spot tv.....	32,063,400	36,733,600
Network tv.....	161,435,000	160,767,200
Spot radio.....	1,908,000	1,841,400
Network radio.....	3,888,100	1,725,200
Total measured.....	222,974,600	216,930,700
Unmeasured.....	118,510,400	108,465,000
Estimated total.....	333,485,000	325,395,700

AMERICAN HOME PRODUCTS

Marketing Personnel

John W. Culligan, chairman-CEO

John R. Stafford, president

George DeMott, vp

Ernest Harper, vp

John Hornman, vp

Albert Pezzillo, vp

WHITEHALL LABORATORIES

New York

Marketing Personnel

Stanley F. Barshay, president

G. Prince, vp-mktg

L.R. Yates, vp-new prod devel

Richard Feldheim, adv dir

Advertising Agencies

William Esty Co., New York—Anacin, Compound W, Dristan Tabs/Caps, Dristan nasal sprays, Heet, Momentum, Oxipor, Preparation H, Quiet World, Viro-Med—George Biava, senior vp-acct director; Tom Perotta, Ed Baucio, Peter Balint, vp-mgmt super; Mort Becher, Ed Peck, Wil Waldron, Deborah Dick-Rath, vp-acct super; Carol DiSanto, Linda Hooper, Rebecca Murphy, Marjorie Weisman, acct execs.

Kornhauser & Calene, New York—Anacin 3, Children's Anacin 3, Arthritis Pain Formula, Aspirin-Free Arthritis Pain Formula, Safety Coated Arthritis Pain Formula, Denalan, Dristan Ultra Colds Formula, Dry & Clear, Idenol, Medicated Shampoo, Freezone, Outgre, Bisodol, Predicor, Primatene, Sudden Beauty, Trendar, Youth Garde—Dick Matthews, vice chairman; Alan Yarnoff, exec vp; Jim Harrigan, Mike Detels, mgmt super; Tom Diana, Debbie Forman, acct super; Steve Kornhauser, Janet Bellin, acct execs.

Young & Rubicam, New York—Advil, Maximum Strength Anacin, Ambesol, Bronitin, Neet, Semicid, Sleep-Eze—Tim Fitzgerald, mgmt super; Garth Anderson, Roger Chiochi, John Leonard, acct super.

John F. Murray Advertising, New York—responsible for all AHP network and spot broadcast time.

AMERICAN HOME FOODS

New York

Marketing Personnel

D.P. Jaicks, president

T. Host, vp-mktg

K.H. Becker, vp-mktg services

J.P. Palminteri, vp-product mgmt

J. Neuberger, adv director

Advertising Agencies

Young & Rubicam, New York—Chef Boy-Ar-Dee canned pastas, new products—Art Klein, exec vp-group director, AHFC account; Jane Brite, mgmt super; Ken Ramsey, acct super.

Cunningham & Walsh, New York—Chef Boy-Ar-Dee Pizza Mix/sauce, dinners, pasta supreme, tin sauce; Crunch 'n Munch, Gulden's Mustard, Jiffy Pop Popcorn, Luck's

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Vice President/General Manager
Winthrop Consumer Products
Division of Sterling Drug

Specialists for financial services, advertising and packaged goods marketing executives.

Judd-Falk Inc.

EXECUTIVE SEARCH

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The first ads for the 1983 Alliance broke Sept. 4, 1982, a "prelaunch" campaign that lasted two weeks. The ads—stressing "the alliance of quality and affordability" and "European technology now built in America"—broke during tv coverage of National Football League games. AMC spent

Analysis of media spending by 100

Rank	1983	1982	Company	Total estimated advertising expenditures		Total measured advertising expenditures		Total unmeasured advertising expenditures		Newspaper		Magazines	
				1983	1982	1983	1982	1983	1982	1983	1982	1983	1982
1	1		Procter & Gamble Co.	\$773,618.3	\$726,105.7	\$650,414.7	\$609,405.7	\$123,203.6	\$116,704.0	\$9,830.5	\$8,538.6	\$40,184.9	\$29,169.4
2	2		Sears, Roebuck & Co.	732,500.0	631,514.0	224,416.3	188,186.0	508,083.7	443,328.0	—	—	33,629.9	51,179.4
3	16		Beatrice Cos.*	602,775.4	659,694.4	221,727.5	202,654.4	381,047.9	457,310.0	17,232.7	11,475.8	50,249.8	46,999.5
4	3		General Motors Corp.	595,129.5	549,000.0	449,041.6	394,413.1	146,087.9	154,586.9	88,578.5	82,000.1	89,020.0	86,079.7
5	4		R. J. Reynolds Industries	593,350.3	530,261.8	469,725.8	418,888.3	123,624.5	111,373.5	112,343.0	123,174.8	155,062.8	111,022.6
6	5		Philip Morris Inc.	527,481.8	501,694.7	462,029.4	432,394.7	65,452.4	69,300.0	65,271.9	83,793.8	140,366.6	130,094.3
7	12		Ford Motor Co.	479,060.0	387,000.0	365,530.3	285,955.1	113,529.7	101,044.9	49,602.6	45,582.6	80,346.3	58,735.2
8	7		American Telephone & Telegraph Co.	463,095.5	373,585.0	359,095.5	263,554.7	104,000.0	100,030.3	71,995.4	34,467.2	61,306.0	40,858.3
9	8		K mart Corp.	400,000.0	366,136.9	49,700.0	56,136.9	350,300.0	310,000.0	—	—	11,038.7	8,933.4
10	6		General Foods Corp.	386,134.2	429,070.0	284,771.6	349,341.8	101,362.6	79,728.2	4,201.0	4,700.0	33,373.2	29,746.5
11	9		Nabisco Brands	367,530.4	335,205.0	125,530.4	115,205.0	242,000.0	220,000.0	6,173.9	6,225.2	9,167.5	11,772.6
12	13		PepsiCo Inc.	356,400.0	305,000.0	222,744.0	196,316.1	133,656.0	108,683.9	6,002.4	2,853.4	3,894.6	9,417.3
13	15		Warner-Lambert Co.	343,553.5	294,736.0	132,332.6	131,563.2	211,220.9	163,172.8	1,505.6	1,298.7	7,266.1	7,936.4
14	10		American Home Products Corp.	333,485.0	325,396.0	222,974.6	216,930.7	110,510.4	108,465.0	1,754.1	2,090.7	21,321.0	13,259.4
15	14		Unilever U.S.	324,865.8	304,582.2	184,865.8	179,582.2	140,000.0	125,000.0	4,688.8	5,336.5	13,020.4	17,684.2
16	19		McDonald's Corp.	311,378.0	265,541.4	193,357.4	162,907.9	118,020.6	102,633.5	—	—	248.8	878.1
17	17		Johnson & Johnson	295,328.8	270,000.0	168,038.9	163,615.3	127,289.9	106,384.7	1,976.7	3,109.6	23,239.1	28,535.4
18	11		Mobil Corp.	294,932.5	320,000.0	42,272.4	48,268.3	252,660.1	271,731.7	7,045.3	8,046.1	3,924.1	6,181.2
19	26		J.C. Penney Co.	292,451.0	230,000.0	70,188.3	54,710.7	222,262.7	175,289.3	—	—	19,745.2	11,824.8
20	22		Amheuser-Busch Cos.	290,616.4	243,355.7	242,616.4	204,355.7	48,000.0	39,000.0	4,157.7	3,290.7	10,931.1	10,486.1
21	27		Ralston Purina Co.	285,667.4	220,000.0	158,704.1	124,372.6	126,963.3	95,621.4	3,170.3	2,588.7	14,579.4	9,926.8
22	20		Coca-Cola Co.	282,150.0	255,325.6	192,513.2	174,206.3	89,636.8	81,119.3	6,037.0	4,424.5	8,582.1	5,762.7
23	21		General Mills	268,690.2	244,363.7	253,092.6	230,150.4	15,597.6	14,213.5	5,620.7	4,241.7	25,451.5	17,585.9
24	18		Colgate-Palmolive Co.	268,000.0	268,000.0	103,805.0	97,889.0	164,195.0	170,111.0	1,664.3	2,582.5	8,477.8	7,208.9
25	25		Warner Communications	251,049.6	232,228.1	156,049.6	148,550.8	95,000.0	83,677.3	15,717.9	18,875.6	25,608.7	24,929.6
26	30		Bristol-Myers Co.	235,000.0	205,000.0	164,552.9	152,968.6	70,447.1	52,031.4	1,380.3	2,045.5	28,472.2	25,244.0
27	35		Chrysler Corp.	230,020.1	214,000.0	200,415.6	163,460.2	29,604.5	50,539.8	31,845.7	29,600.0	44,845.2	25,582.2
28	29		U.S. Government**	228,857.2	205,453.1	94,067.7***	101,435.5***	134,789.5	103,701.6	5,306.2	6,753.6	25,498.8	31,868.0
29	38		RCA Corp.	212,300.0	160,102.2	108,923.7	84,374.6	103,376.3	75,727.6	31,716.3	28,273.3	35,301.5	23,362.1
30	31		Dart & Kraft	210,279.4	199,195.8	175,232.8	163,570.2	35,046.6	35,625.6	7,066.9	6,976.3	33,219.4	26,110.3
31	23		H. J. Heinz Co.	202,400.0	175,000.0	75,442.1	78,570.7	126,957.9	96,429.3	2,749.9	3,712.5	6,869.0	5,874.0
32	40		General Electric Co.	196,506.6	159,000.0	69,758.7	49,505.7	126,747.9	109,494.3	12,219.8	6,054.1	13,129.1	10,313.8
33	34		Consolidated Foods Corp.	195,858.0	178,006.9	97,516.9	92,492.7	98,341.1	85,514.2	2,833.6	2,263.0	16,671.7	13,412.9
34	36		Pillsbury Co.	190,944.3	170,426.7	149,971.2	132,914.9	40,973.1	37,512.8	917.3	2,134.3	2,497.7	4,858.6
35	37		Gillette Co.	185,604.4	163,000.0	101,904.4	94,469.3	83,700.0	68,530.7	1,839.3	3,525.6	9,237.8	8,276.0
36	28		Mattel Inc.	179,934.8	217,900.0	78,182.4	97,698.1	101,752.4	120,201.9	2,031.7	5,799.9	4,783.2	9,238.3
37	43		Kellogg Co.	176,306.9	154,167.3	117,042.5	104,167.3	59,264.4	50,000.0	3,257.5	2,695.5	6,180.8	9,359.3
38	46		Sterling Drug	171,828.1	140,149.5	114,828.1	93,433.9	57,000.0	46,716.5	288.3	498.8	6,631.5	8,191.2
39	41		CBS Inc.	167,711.0	158,997.0	71,114.2	64,896.7	96,596.8	94,100.3	15,829.3	15,917.7	30,737.1	28,448.0
40	—		Tandy Corp.	156,728.0	126,985.0	43,873.3†	34,011.4†	112,854.7	92,973.6	—	—	4,944.4	3,946.3
41	50		Richardson-Vicks	150,813.9	129,289.4	93,929.5	71,289.4	56,884.4	58,000.0	—	14.2	12,130.5	8,126.5
42	59		Quaker Oats Co.	148,441.7	106,071.5	84,823.8	64,622.4	63,617.9	41,409.1	1,341.0	1,865.5	11,433.4	6,832.1
43	24		Batus Inc.	146,076.9	235,010.2	108,785.8	175,015.7	37,291.2	52,994.5	27,803.2	42,893.6	44,290.3	73,461.5
44	42		Gulf & Western Industries	145,500.0	155,031.0	57,845.4	57,722.6	87,654.6	97,308.4	2,365.2	4,506.1	6,026.5	6,105.6
45	47		American Cyanamid Co.	142,400.0	133,002.6	56,953.7	54,308.0	85,446.3	72,692.0	969.6	204.8	7,441.9	6,372.5
46	48		Chesebrough-Pond's	141,324.5	131,006.8	72,904.6	70,834.6	68,419.9	60,172.0	2,170.7	2,374.7	16,686.7	16,850.3
47	45		Eastman Kodak Co.	141,318.9	142,820.0	90,343.5	92,200.7	50,975.4	50,619.3	5,162.5	3,825.9	16,644.6	15,243.7
48	60		Loews Corp.	135,115.1	103,266.8	108,115.1	80,266.8	27,000.0	23,000.0	22,533.3	22,645.4	45,249.9	28,955.4
49	39		ITT Corp.	134,229.0	159,131.8	54,890.7	64,721.8	79,338.3	94,410.0	3,161.9	3,038.1	11,663.6	10,492.8
50	53		Beecham Group p.l.c.	134,126.8	120,700.0	90,516.8	80,466.6	43,610.0	40,233.4	14.3	54.0	3,378.1	7,783.9
51	—		Texas Instruments	129,042.0	70,720.0	67,878.9	18,991.7	61,163.1	51,728.3	16,871.6	3,319.1	11,695.2	2,196.6
52	52		Campbell Soup Co.	126,000.0	103,800.0	112,729.5	80,613.1	13,270.5	23,186.9	4,640.8	3,322.3	12,412.8	7,182.8
53	56		Revlon Inc.	123,968.9	112,952.1	82,080.1	66,499.3	41,888.8	46,452.8	710.9	488.2	16,401.7	14,229.2
54	55		Nissan Motor Corp. in U.S.A.	122,848.0	117,566.7	106,228.9	91,066.7	16,619.1	26,500.0	9,443.6	9,742.8	13,351.9	12,750.6
55	54		Mars Inc.	120,350.5	120,007.6	102,234.5	100,907.6	18,116.0	19,100.0	1,864.3	1,355.5	2,811.5	2,533.2
56	49		Time Inc.	119,785.0	130,124.0	84,779.8	94,323.1	35,005.2	35,801.9	11,427.8	20,186.7	35,338.2	30,206.7
57	44		Jos. E. Seagram & Sons	119,604.4	153,000.0	87,924.3	110,189.0	31,680.1	42,811.0	8,476.6	9,851.3	45,643.3	62,024.0
58	74		International Business Machine Corp.	119,222.5	74,972.2	102,698.2	64,319.5	16,524.3	10,652.7	11,719.6	9,488.4	27,172.0	16,404.5
59	51		Schering-Plough Corp.	117,914.2	123,932.7	69,361.3	72,632.7	48,552.9	51,300.0	94.1	259.2	18,926.0	16,860.7
60	64		American Honda Motor Co.	115,182.3	94,891.8	97,182.3	76,891.8	18,000.0	18,000.0	8,059.4	6,957.3	19,850.4	15,446.0
61	57		Nestle Enterprises	114,957.0	112,500.0	94,956.6	93,382.2	20,000.4	19,117.8	1,933.2	3,598.7	11,637.9	8,468.8
62	58		Toyota Motor Sales U.S.A.	113,649.0	111,342.3	95,992.4	98,533.3	17,656.6	12,809.0	12,570.7	15,611.1	12,416.4	10,890.8
63	61		Volkswagen of America	112,500.0	103,000.0	89,937.9	86,967.1	22,562.1	16,032.9	9,947.4	16,025.3	37,902.2	28,599.5
64	—		IC Industries	112,100.0	79,113.3	50,346.5	35,601.0	61,753.5	43,512.3	1,175.5	718.7	3,689.1	1,511.4
65	71		Xerox Corp.	110,101.8	80,000.0	58,696.3	43,157.8	51,405.5	36,842.2	13,824.3	5,779.3	15,650.1	18,062.7
66	63		American Express Co.	107,571.0	95,458.0	71,840.1	66,289.3	35,730.9	29,168.7	12,336.7	11,840.3	15,651.5	12,088.6
67	65		DuPont	102,637.0	92,912.0	50,192.9	44,668.4	52,444.1	48,243.6	1,531.6	1,980.2	26,147.1	21,578.9
68	66		Trans World Corp.	101,503.3	91,614.9	60,503.3	54,362.7	41,000.0	37,252.2	21,925.3	19,857.3	6,817.1	4,354.3
69	79		American Motors Corp.	100,800.7	78,587.0	82,446.1	63,458.2	18,354.6	15,128.8	8,314.5	6,058.8	15,644.5	15,667.2
70	—		Sony Corp. of America	97,283.2	57,158.2	39,283.2	23,158.2	58,000.0	34,000.0	11,619.7	5,041.5	9,497.0	8,414.3
71	62		CPC International	96,627.3	96,700.0	46,212.9	47,597.7	50,414.4	49,102.3	965.7	854.2	7,906.5	9,191.2
72	77		Miles Laboratories	89,063.8	73,200.0	53,986.8	44,168.8	35,077.0	29,031.2	94.8	86.2	2,878.3	4,225.5
73	69		Union Carbide Corp.	88,000.0	83,699.8	51,801.5	52,425.4	36,198.5	31,274.4	1,802.5	1,167.7	714.9	754.1
74	75		S. C. Johnson & Son	86,970.3	74,616.3	64,087.6	55,066.3	22,882.7	19,550.0	2,			

Leading National Advertisers (\$000)

Farm publications		Spot tv		Network tv		Spot radio		Network radio		Outdoor	
1983	1982	1983	1982	1983	1982	1983	1982	1983	1982	1983	1982
\$	\$	\$229,244.8	\$178,882.2	\$366,663.1	\$390,495.4	\$2,796.4	\$1,320.6	\$1,504.2	\$166.2	\$190.8	\$33.3
—	257.1	29,315.5	17,529.4	145,006.8	102,563.8	5,496.6	5,577.4	10,628.5	11,073.8	339.0	5.1
516.9	—	45,955.0	44,385.0	97,605.4	90,212.2	5,258.8	2,685.5	487.8	1,185.8	4,421.5	5,710.2
1,740.9	1,596.4	25,678.4	27,244.2	201,350.4	164,261.5	29,079.4	29,079.4	9,410.7	7,983.1	4,183.3	5,009.0
—	—	39,642.0	47,738.1	69,907.2	56,862.7	3,851.2	2,776.9	—	—	88,919.6	77,233.2
—	—	50,431.5	34,446.0	128,266.1	110,845.0	22,482.8	22,677.6	—	—	55,210.5	50,538.0
3,431.3	3,398.8	37,857.4	20,750.7	172,308.1	126,739.6	12,993.1	23,100.1	7,185.6	6,462.4	1,805.9	1,185.7
—	—	41,341.0	65,654.1	146,603.8	95,086.2	27,949.3	18,869.0	9,511.6	7,391.3	388.4	1,300.6
—	—	10,050.8	8,176.1	23,539.3	32,469.8	4,867.0	5,638.2	—	760.5	204.2	158.9
—	—	73,019.9	70,799.1	170,064.5	232,349.4	2,333.2	4,744.5	1,711.0	7,002.2	68.8	—
—	—	22,126.5	20,086.2	82,018.0	66,578.8	984.7	1,167.8	4,695.9	3,878.8	363.9	495.6
—	—	121,847.1	87,728.2	73,955.2	75,857.8	14,204.9	16,544.2	916.3	2,781.7	1,923.5	1,133.5
—	—	39,438.7	32,907.2	74,638.9	81,015.4	1,660.5	1,853.1	7,822.8	6,558.4	—	—
605.0	513.2	32,063.4	36,733.6	161,435.0	160,767.2	1,908.0	1,841.4	3,888.1	1,725.2	—	—
—	—	55,789.2	43,765.0	110,302.6	111,811.7	335.7	152.7	683.3	766.8	45.8	65.3
—	—	105,024.8	94,156.0	80,930.9	59,875.9	2,077.3	2,138.4	780.6	1,717.5	4,295.0	4,142.0
431.6	268.4	9,212.5	7,196.7	131,265.9	121,845.3	318.8	953.7	1,594.3	1,706.2	—	—
822.8	—	20,824.7	20,497.5	7,170.4	9,808.0	2,432.5	3,695.2	—	—	52.6	40.3
—	—	18,150.9	16,530.9	31,857.7	23,790.5	197.7	737.7	—	2,203.1	236.8	163.7
—	—	59,370.0	46,954.4	116,515.2	95,676.5	40,675.5	36,801.0	6,913.6	6,326.9	4,053.3	4,820.1
1,654.3	864.0	35,744.8	23,535.8	94,438.5	82,570.7	8,829.5	5,756.9	—	—	287.3	135.7
—	—	70,672.6	59,311.3	95,888.7	87,208.5	8,048.4	14,185.3	—	124.6	3,284.4	3,189.4
—	—	112,982.1	107,121.5	100,279.1	93,628.5	6,197.6	5,632.8	2,364.2	1,723.8	197.4	216.0
226.0	216.3	29,596.0	23,919.9	59,915.1	59,653.9	3,925.8	4,300.9	—	—	—	6.6
—	—	27,444.7	27,154.8	84,243.6	75,533.0	2,248.7	820.3	485.8	1,178.0	300.2	59.5
211.9	190.3	10,065.9	12,609.9	120,974.3	105,717.0	1,903.9	5,436.4	1,544.4	1,600.1	—	125.4
716.6	733.5	18,626.0	23,533.9	84,193.7	68,219.5	16,651.1	11,997.2	2,858.0	2,919.3	679.3	874.7
—	—	16,257.9	18,246.9	30,063.0	27,139.6	5,679.2	7,342.5	9,293.2	9,213.0	1,474.3	871.9
—	—	10,430.9	8,776.7	24,273.2	19,126.5	3,512.0	3,331.4	3,303.9	1,205.9	385.9	298.7
—	—	42,525.2	64,277.0	87,414.8	61,743.6	1,813.9	3,426.7	3,161.1	977.0	31.5	59.3
—	—	17,636.2	22,634.3	47,863.7	45,916.0	260.7	429.8	—	—	62.6	4.1
—	—	4,501.9	3,241.9	39,158.0	28,966.6	506.6	399.7	—	177.4	243.3	352.2
—	—	17,076.6	17,898.5	56,149.7	55,107.9	1,982.6	2,353.2	2,551.6	1,224.4	251.1	232.8
—	—	60,781.0	46,122.8	74,336.9	72,942.0	9,639.6	6,120.3	810.3	—	988.4	736.9
—	—	11,394.4	8,642.3	75,285.5	74,025.4	1,455.8	—	2,691.6	—	—	—
—	—	18,520.2	19,956.4	52,074.7	60,984.6	417.6	156.1	131.4	1,486.2	223.6	76.6
—	—	34,130.2	30,054.3	73,006.3	61,010.2	459.8	794.0	—	—	7.9	254.0
—	—	24,375.2	15,941.7	82,660.0	66,383.7	820.4	235.9	—	2,142.6	70.7	39.1
—	—	12,761.3	15,818.5	10,585.4	2,851.4	133.1	801.3	133.2	484.8	934.8	775.0
322.7	258.2	4,237.7	3,390.2	27,715.8	22,172.6	3,496.9	1,719.6	—	—	0.2	0.2
—	—	20,928.0	13,778.4	59,139.1	48,475.6	812.9	168.0	919.0	726.1	—	—
—	—	21,468.3	21,217.3	47,980.3	34,541.7	2,213.0	159.9	—	—	387.8	45.9
—	—	14,234.5	15,905.4	—	—	37.3	218.1	—	—	22,420.4	42,537.1
—	—	20,897.4	21,063.4	23,345.5	24,322.2	3,683.1	615.2	1,265.9	822.1	261.8	288.0
3,449.1	—	8,743.7	9,141.5	35,257.9	36,839.8	1,088.9	1,749.4	—	—	2.6	2.6
—	—	10,647.4	5,105.5	42,994.8	46,051.1	324.5	448.5	—	—	80.5	4.5
—	—	8,649.1	5,843.8	56,453.8	63,267.0	987.7	1,818.0	726.4	1,609.0	1,719.4	593.3
—	—	1,277.1	3,692.0	1,795.1	1,796.2	156.0	136.0	—	—	37,103.7	23,611.8
—	—	25,894.5	30,951.0	9,875.0	16,659.1	3,235.1	2,447.8	314.1	342.5	746.5	790.5
728.6	599.5	7,151.4	5,203.9	78,806.6	66,725.1	26.8	100.2	410.6	—	—	—
—	—	18,080.0	13,283.2	17,808.4	—	3,423.6	192.8	—	—	—	—
—	—	21,510.4	17,436.8	63,957.9	40,733.8	3,607.2	2,156.5	7,429.3	9,738.7	71.1	42.7
—	—	15,601.9	15,760.9	47,100.8	33,913.2	851.1	398.5	1,413.7	1,709.3	—	—
231.2	—	37,723.6	32,671.1	33,602.9	23,548.1	10,880.6	11,382.6	—	—	995.1	971.5
—	—	44,332.5	46,508.6	52,101.5	49,661.3	350.5	849.0	774.2	—	—	—
—	—	31,327.6	30,339.9	5,012.8	10,861.9	624.6	2,286.5	925.9	123.5	122.9	317.9
—	—	7,233.1	8,410.3	10,739.9	13,754.6	64.6	84.6	—	—	15,766.8	16,064.2
398.0	—	5,006.0	4,343.1	52,408.5	29,700.2	5,474.0	2,775.2	507.2	1,540.2	12.9	67.9
432.5	514.1	5,497.0	5,293.8	37,878.8	42,947.9	2,094.1	1,246.0	2,829.8	3,603.7	1,609.0	1,907.3
813.7	—	10,806.9	8,864.9	41,529.3	29,887.4	11,035.8	11,866.2	2,636.1	1,238.9	2,450.7	2,631.1
—	—	32,793.1	28,712.9	47,259.2	49,105.1	428.0	1,108.9	747.5	2,225.0	157.7	162.8
—	—	42,505.9	44,792.1	22,852.5	21,244.0	3,342.8	3,633.9	20.0	249.6	2,284.1	2,111.8
—	—	16,921.8	17,156.5	22,177.6	23,028.2	2,984.6	2,104.4	—	2.4	4.3	53.2
—	—	20,971.3	15,071.8	17,697.8	11,998.6	6,162.8	5,270.6	599.2	983.6	50.8	46.3
—	—	2,997.4	865.8	22,732.4	15,804.4	2,613.3	974.6	874.8	1,657.9	4.0	13.1
—	—	13,650.9	15,190.1	22,417.1	24,253.4	4,685.6	2,899.4	3,031.2	—	67.1	17.5
4,119.0	3,383.2	2,553.6	2,949.7	13,435.0	12,423.0	1,632.9	1,482.1	771.1	851.6	2.6	20.7
—	—	13,034.5	13,392.7	9,991.1	8,057.6	7,160.3	7,971.7	723.2	185.2	851.8	543.9
84.1	—	6,221.7	15,414.0	50,972.3	26,024.3	120.7	147.3	—	—	1,088.3	146.6
—	—	9,775.5	1,565.1	8,087.7	7,137.3	290.6	594.8	—	374.5	12.7	30.7
—	—	15,544.8	13,541.5	21,668.6	23,468.5	126.2	81.8	—	—	1.1	460.5
3,768.9	—	5,504.6	4,629.1	39,003.2	35,219.7	63.8	—	2,660.3	—	12.9	8.3
1,722.8	1,614.9	4,419.5	4,017.0	39,994.4	40,914.3	2,847.4	3,838.9	300.0	104.4	—	14.1
—	—	6,020.3	8,890.1	40,716.5	34,266.5	517.3	395.5	2,526.0	478.8	—	—
—	—	6,639.7	6,290.3	19,750.3	30,587.8	8,918.6	7,044.0	1,366.1	2,168.9	290.1	38.4
—	—	12,325.9	10,759.4	17,707.1	12,288.8	8,300.5	8,429.2	—	—	134.7	186.2
—	—	12,308.4	10,831.7	30,682.5	28,787.5	24.3	86.4	—	—	—	—
—	—	23,539.3	25,825.1	8,175.0	13,792.8	14,635.6	14,135.9	846.6	495.2	293.0	117.6
—	—	2,500.8	1,539.8	8,607.8	6,980.6	30.1	59.7	104.5	—	12,949.9	12,314.4
—	—	13,034.6	8,950.3	16,067.7	20,467.0	1,300.0	6,400.0	253.6	83.2	351.3	292.4
—	—	2,270.7	16,373.5	27,159.7	26,709.7	—	45.7	—	—	—	86.4
—	—	14,303.9	20,735.9	37,774.2	9,403.9	10,532.4	12,667.4	825.7	20.0	1,313.2	1,757.8
1,522.3	1,672.0	2,860.0	1,499.8	34,009.0	32,486.6	84.3	151.0	444.4	75.0	7.2	—
—	—	4,667.2	3,851.2	2,835.1	7,167.8	1,421.1	1,242.7	—	—	6,182.1	7,680.1
—	—	32,443.2	5,925.1	6,081.6	5,339.7	2,457.9	1,548.2	—	—	39.1	6.7
—	—	12,237.1	7,924.9	9,398.0	5,202.5	9,218.2	10,238.2	—	—	2,468.8	2,499.4
—	—	4,707.3	4,097.9	23,084.6	17,430.0	—	—	—	—	—	—
—	—	10,153.8	7,930.5	41,383.5	47,359.4	528.7	—	1,137.2	470.0	—	36.3
—	—	15,518.5	13,536.6	28,678.8	25,536.2	557.4	870.9	396.2	—	2.3	64.1
—	—	31,224.2	17,916.3	18,683.4	13,817.3	899.6	1,119.9	—	6.3	1,148.5	676.0
—	—	17,873.7	16,854.9	42,342.7	47,515.3	23.8	94.1	2,908.0	1,733.2	—	15.6
—	—	8,226.7	6,978.9	2,602.5	—	15,309.1					

\$20 million in measured media (\$14.1 million in network tv), according to Leading National Advertisers, on Alliance during its introductory quarter, more than it ever had spent on a new vehicle. The remainder of AMC's products, including cars, Jeeps and other Renaults, received 40% of the total fall budget.

In January, 1983, AMC coupled a new 11.9% financing plan with a Motor Trend "Car of the Year" award for the Alliance, and sales jumped from 829 units to 1,022 units the week after the *Motor Trend* endorsement.

In 1983, AMC "reintroduced" the sporty Renault Fuego coupe with a heavy media schedule than in 1982—\$10 million vs. \$6.2 million in 1982. New commercials concentrated on the turbocharged version, linking it with Renault's Formula One race cars. Ads broke in March, 1983. Fuego was off the airwaves, except in Sunbelt spots, for most of the 1983 model year because AMC ran out of cars after surpassing sales projections of 10,000 to 12,000.

AMC continued the auto racing theme with the 1984 Fuego sporty coupe. Fuego was supported with commercials that cut quickly between films of races and studio shots of the car. The line, "The new Renault Fuego. Racier," refers to Renault's Formula One racing ties and a larger new 2.2-liter engine that "cranks out 40% more torque for 1984." Fuego is also available with a 1.6 liter turbocharged engine.

Meanwhile, Jeep division of AMC kept its ad theme, "Why drive a car when you can drive a Jeep?" through

the introduction of the compact XJ model in the fall of 1983. The ad spending for Jeep products 1983 was \$21.9 million in measured media, up from \$11.7 million spent on the line in 1982. The XJ—a new down-size version of the Cherokee and Wagoneer—soaked up much of the increase, but other Jeeps saw more ad money.

Jeep's "Why drive a car?" theme was continued with the aim of attracting customers who don't usually consider buying a 4wd product.

Print ads for the smaller Jeep Cherokee and Wagoneer stressed the "leaner and meaner" theme, with direct comparisons to the competition.

Despite heavy new Jeep advertising, AMC continued to struggle with the marketing problem of convincing buyers that less is more. The problem especially applied to the new Cherokee and Wagoneer, the first down-Cherokees in 20 years.

"The core of our marketing strategy is to explain we have retained Jeep's rugged characteristics... in a more efficient packaging size. That's really the trick," said David Van Peursem, who left AMC as general marketing manager to become senior vp of the AMC account at Compton Advertising.

Jeep wanted to broaden the appeal of 4wd vehicles and expected to move toward carlike qualities in doing so.

Grey Advertising beat Compton Advertising for the introductory campaign of AMC's new Jeeps. Grey handled creative for the new XJ models, while Compton, the regular Jeep agency, placed media.

Grey also handled the new Renault Encore advertising. The typical Encore

buyer is a "trendy, image-conscious individual, young, well educated, and white collar," Mr. Van Peursem said. The typical Alliance buyer is a more conservative, practical and family-minded buyer, he said.

Measured spending for the Encore was \$10.6 million. Media was 75% tv, with the rest in newspaper, radio and magazines.

On an international level, in May, 1983, AMC formed a joint venture with Beijing Automotive Works. The venture, named Beijing Corp. Ltd., will build Jeep vehicles in the People's Republic of China.

AMC's \$16 million China investment was necessary because that is where growth is, said Tod O. Clare, vp-international operations. With operations beginning in January, Beijing Corp. was involved in the production of light duty vehicles and trucks. The venture establishes a base for future competition in the markets of the Asia-Pacific region, specifically India and Indonesia. Egypt and Mexico, according to Mr. Clare, are other markets with good potential.

On Sept. 19, 1983, AMC sold the company's special government vehicles segment to AM General Corp. a subsidiary of LTV Corp. for \$170 million, to focus on autos.

And in focusing on autos, AMC wanted to reduce its dependence on the Alliance, which had been very successful. W. Paul Tippet, chairman and ceo, said a major AMC problem is its habit of stressing one product line at a time. "There was nothing to keep the momentum going," he said. The company sold more cars in 1983 than in 1982, yet continued to post losses.

Because AMC needs more new products, the company "will concentrate on product areas where we or Renault have special expertise—4wd passenger cars and 4wd vehicles," Mr. Tippet said. "We plan to move from a product lineup that covers 25% of the U.S. car market to one with over 50% coverage within the next five years. We also plan to expand our coverage of the light-truck market from the current [August, 1983] level of 12% to 41%. The key to the strategy is consistent new-product development."

To attain profitability, AMC believes it must capture the passenger car

market and an 18% share in 4wd. In total, AMC wants to get 5% of the vehicle market.

AMC continues to develop front-wheel-drive passenger cars, through its affiliation with Renault, and new 4wd vehicles. From 1984 to 1988, AMC expects to expand offerings to include specialty models in the 1985 and 1986 model years, and compact and intermediate models later in an attempt to increase coverage in the U.S. passenger car market from 20% to more than 50%.

American Motors also scheduled an Alliance convertible for 1985 model year introduction. It will be based on the two-door model and positioned as the lowest-price U.S.-made convertible.

New Jeep vehicles will be introduced from 1984 to 1988, including a compact pickup truck in both two-wheel-drive and 4wd models, derived from the Jeep Cherokee platform. This will be AMC's first venture in 2wd trucks.

AMC also is eyeing the minivan market. Mr. Tippet said a minivan could be on sale within 18 months after initial go ahead is given. The AMC minivan effort will come atop plans for a light truck that have solidified for the 1986 model year. The truck will be based on the Cherokee, while the minivan most likely will come from the newly down-size Jeep Cherokee chassis.

AMC will spend about \$2 billion between 1982 and 1987 to design and launch new vehicles. Cars will be derived largely from European versions of Renault, which owns 46% of AMC.

For the 1984 model year, AMC tried to establish a common look, especially in print advertising, as have other car companies. Joseph Cappy, vp-marketing group, said, "We haven't had that look, but we will have it. There will be an umbrella close to all our tv commercials—four seconds on the end that will tie the spot into the brand. We've also done some smart things with media-buying—we got ourselves good spots on 'The Thorn Birds' [an ABC miniseries]."

AMC currently forecasts a profit for 1984, although quarterly losses may occur. This is the first full year of sales of both Renault Alliance and Encore and the new line of Jeep vehicles.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$8,314,500	\$6,058,800
Magazines.....	15,644,500	13,667,200
Farm publications.....	84,118	—
Spot tv.....	6,221,700	15,414,000
Network tv.....	50,972,300	26,024,300
Spot radio.....	120,700	147,300
Outdoor.....	1,088,300	146,600
Total measured.....	82,446,118	63,458,200
Unmeasured.....	18,354,582	15,128,800
Estimated total.....	100,800,700	78,587,000

Marketing Personnel

Joseph E. Cappy, group vp-sales/mktg
 Peter G. Gupitill, genl mgr-U.S. sales
 David L. Kerr, director-adv/mktg planning
 Robert F. Donovan, director-merch and sales promo
 James L. Cherfoli, mktg service mgr
 Thomas L. Draur, adv mgr-Jeep
 Marvin H. Klein, adv mgr-Renault
 Robert G. Wildberger, mgr-media/budgets
 James D. Rader, mgr-dealer adv

Advertising Agencies

Grey Advertising, New York—Renault—Lou Maloof, exec vp, New York; Bruce McRitchie, senior vp-genl mgr, Southfield; Bob Borgan, vp-mgmt super, Renault, New York; John Miley, vp-super, Detroit; Bill Brussow, vp-act super, Detroit; Tom Donaldson, vp-act super, Detroit.
 Saatchi & Saatchi Compton, New York—Richard Rasor, exec vp-mng director.De-

troit—David J. Van Peursem, senior vp; Kenneth Campbell, Robert Reed, Lynn H. Vernon, vp-mgmt super; Mark Liaka, Edward Pietilla, vp-act super.

American Telephone & Telegraph Co.

	1983	1982
Sales*.....	\$49,840,000,000	\$45,757,000,000
Earnings*.....	248,700,000	7,279,000,000
U.S. Advertising	463,095,477	373,585,000

*Worldwide

American Telephone & Telegraph Co., New York, which divested its 22 wholly owned local telephone companies Jan. 1, 1984, spent an estimated \$463.1 million in domestic advertising in 1983, a 24% increase from the previous year, to become the eighth largest advertiser in the U.S.

Of the total ad expenditures, measured spending in seven media consisted of \$359.1 million, or 78% of total advertising expenditures.

The divestiture and events leading to the reorganization of a company employing nearly 1 million workers had a strong impact on AT&T's financial and operating expenditures, including advertising spending and revenues for 1983. About 75% of AT&T's total assets of \$149.5 billion was assigned to the divested companies.

Also affecting the company's financial results was a charge recorded Dec. 31 against income of \$5.5 billion, net of taxes resulting from a restatement of its assets to reflect their value in a more competitive, less regulated environment. In large part, this accounted for the company's net income declining to \$249 million. Revenues increased 6.2%, to \$69.8 billion in 1983. A total of \$30.3 billion, or 56% of these revenues, came from the company's local service, while \$34.5 billion, or 50.6% of total revenues, came from toll services.

Earnings also were affected in 1983 by a reduced sales volume as a result of construction expenditures by Bell System companies and a three-week strike in August, 1983. The company's over-all volume of business (with adjustments for rate increases) increased by 9% during the year.

While earnings diminished, local and toll service revenues increased 4.1% in 1983, partly because of growth in business and partly because of rate increases. Various service categories fluctuated. Growth was strong in network access lines, Wide Area Telecommunications Service and international toll messages. However, growth in domestic toll messages decreased.

The Bell System's operating companies added 2 million network access lines in 1983, compared with 1.1 million in 1982, but less than the 2.1 million installed in 1981.

Total toll messages (domestic and international) increased by 2.1% in 1983 compared with 3.6% in 1982, while WATS messages were up by 23%. Revenues from international calling reached \$2 billion in 1983 compared with \$1.8 billion in both 1982 and 1981.

Higher intrastate rates contributed \$2.1 billion to the increase in revenues in 1983, compared with \$3.5 billion in 1982 and \$2.1 billion in 1981. Western Electric's net income declined 84.9% in 1983, compared with a decrease of 52.7% in 1982, partly due to a decision to phase out or reduce the activities of certain Western Electric manufactur-



YOU LOOK GREAT IN OUTDOOR

IOA
INSTITUTE OF OUTDOOR ADVERTISING

THE FIRST LONE STAR I'VE SEEN TONIGHT

I WISH I COULD MAKE EVERYBODY AN HONORARY TEXAN!

I'M SURE THAT'LL THRILL 'EM.



© C. Barsootti

Texans dream big. But that just means they're big achievers, too. And where do these accomplished, star-eyed Texans find bright new ways of living the good life? In the one publication they dream about every thrilling month. **TexasMonthly.**

KNOW THY COMPETITION

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LNA

ing facilities. Another factor was the reduced demand for products and services.

The divestiture marked the end of one tradition for AT&T and signaled the beginning of a new one as it separated its 22 wholly owned telephone companies and organized itself into one smaller, more compact information service company ready to pursue areas that previously had been off limits under government regulation. AT&T's long-distance service is currently its only business sector under supervision of the Federal Communications Commission.

The seven holding companies, formed by the breakup of AT&T, have beamed up their advertising efforts. They are:

- Pacific Telesis: Pacific Telephone and Nevada Bell.
- U.S. West: Northwestern Bell, Mountain Bell and Pacific Northwest Bell.
- Southwestern Bell: Southwestern Bell.
- Ameritech: Illinois Bell, Indiana Bell, Michigan Bell, Ohio Bell and Wisconsin Telephone.
- BellSouth: South Central Bell and Southern Bell.
- Bell Atlantic: Bell of Pennsylvania, Diamond State Telephone Co., Chesapeake & Potomac Cos. and New Jersey Bell.
- Nynex: New England Telephone and New York Telephone.

AT&T entered 1984 as a new organization structured around a sound line of business organizations, with each line of business a separate entity responsible for its own profitability and contribution to AT&T's total revenues.

Breaking up was hard to do for AT&T as the divestiture resulted in extra advertising strategies, including a refocus of the entire corporate strategy, according to Dave Shaver, AT&T division manager of advertising.

The whole positioning of American Bell, which was to be a major subsidiary, was abandoned on the premise of a court order that forbade AT&T from using the Bell name or logo. A new corporate theme was developed, "Reaching out in new directions," and a long-distance theme as well, "The more you hear the better we sound."

AT&T officials said one of the biggest problems since the breakup has been alleviating customer confusion.

"There is much confusion when you create a new brand name," Mr. Shaver said. "We've been known only as a blue-chip stock until now."

Although the major repositioning of the company was launched in the fall of 1983, a total change in focus has been established since then.

"Our corporate campaign is more definitional in nature," Mr. Shaver said. "We're trying to explain what the new AT&T consists of and what we stand for."

Although smaller in size, AT&T continues to be a leading participant in a marketplace marked by heavy competition in toll calling and equipment.

The reorganized AT&T consists of two divisions: AT&T Communications, the regulated portion of the AT&T business, which provides telecommunications and information transport services throughout the U.S. and to points overseas, and AT&T Technologies, which includes five lines of business, with the manufacturing capability of Western Electric integrated into each line of business.

Those segments of AT&T Technologies include:

- AT&T Network Systems, which offers switching equipment, transmission systems, cable and wire, including optical fiber to AT&T Communications, the divested Bell companies, independent telephone companies, businesses, government agencies, etc.
- AT&T Technology Systems, which has three separate business groups—Components and Electronic Systems (designs and produces silicon chip products and other electronic components), Federal Systems (designs products and services for the U.S. Department of Defense agencies), and Computer Systems (makes and markets computers for use in communications systems).

• AT&T International, whose function is to market AT&T in the international marketplace.

• AT&T Consumer Products, which involves the production of home telephone sets to multifunctional home systems such as the Genesis telesystem in which a programmable phone uses cartridges to activate various functions.

• AT&T Information Systems (formerly American Bell), which handles information management systems, enhanced services to business customers and operates AT&T's nationwide chain of PhoneCenters.

All these lines of business are integrated into AT&T Technologies Inc. except for AT&T Information Systems, which must maintain a degree of separation required by the FCC.

Under the FCC's Second Computer Inquiry, which governs the actions of AT&T Information Systems, the operation must provide its own marketing, sales and billings. In addition, it is not permitted to own any transmission facilities.

Although AT&T no longer is engaged in providing local exchange service, competition is fierce in the long-distance market, an area subject to growing competition, with more than 400 long-distance suppliers.

While AT&T continues to be regulated by the FCC in the area of long-distance service, the divestiture has enabled the company to branch into other areas such as computers. In March, AT&T introduced six different computer models, ranging from a powerful supermicrocomputer now used in the telephone network to a desktop supermicrocomputer, which can support as many as 18 terminals. In June, it added a personal computer, a local area network to tie electronic office machines into a single system and new software applications. AT&T is expected to introduce 30 new products for business customers in 1984.

AT&T also was the official telecommunications sponsor for the 1984 Los Angeles Olympic Games and provided, along with Pacific Bell, its communications systems for the games.

AT&T International and the Dutch electronics company, N.V. Philips, have created a joint venture to develop, manufacture and market sophisticated telecommunications equipment outside the U.S. The joint venture has been established in the Netherlands and is staffed by Bell System and Philips employees.

In May, the FCC reduced AT&T's cost for connections to local telephone company networks. This enabled AT&T to reduce its long distance rates.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$71,595,400	\$34,467,200
Magazines.....	61,306,000	40,858,300
Spot tv.....	41,341,000	65,654,100
Network tv.....	146,603,800	95,086,200
Spot radio.....	27,949,277	18,869,000
Network radio.....	9,511,600	7,391,300
Outdoor.....	388,400	1,300,600
Total measured.....	359,095,477	263,554,700
Unmeasured.....	184,000,000	180,636,300
Estimated total.....	463,095,477	373,585,000

Corporate Personnel

J.L. Brunson, corp vp
D.J. Shaver, adv mgr

Advertising Agencies

N.W. Ayer, New York—Tom Maxey, exec vp; Hap Stoner, senior vp; Jack Quigley, vp-acct super; Ted Kolota, Austin Patrick, senior acct execs; Nancy Ryan, acct exec.

UniWorld Group Inc., New York—corp advertising directed to minorities—Alvin M. Winters, district mgr corp adv; Linda Dukette, vp-acct super.

AT&T COMMUNICATIONS

Marketing Personnel

Phil Shyposh, adv mgr

Advertising Agencies

McCann Erickson, New York—business services—Tom Driscoll, senior vp.
N.W. Ayer, New York—residence, AT&T long distance certificates, residential calling.
Fred McClafferty, senior vp.

Young & Rubicam, New York—international business and residence, public sector card caller and calling card—Mort Lowenstein, senior vp.

AT&T TECHNOLOGIES

Marketing Personnel

R.J. Martin, adv mgr

Advertising Agencies

Ogilvy & Mather, New York—computer systems prods—Kelly O'Dea, senior vp; Gary Gigot, vp-mgmt super; McKelden Smith, acct super.

Foot, Cone & Belding, New York—network systems, electronic components, federal assistance—Jack Young, president; Gary Bahl, vp; Kathryn O'Rourke, acct exec.

AT&T INFORMATION SYSTEMS

Marketing Personnel

Richard Draper, adv director

Advertising Agency

Ogilvy & Mather, New York—Kelly O'Dea, senior vp; Irene Frary, Gary Gigot, vps-mgmt super; Jeff Bertrand, Bruce Nathanson, Kathy Moriarty, Mary Gae Senko, Audrey Shuman, acct super.

AT&T CONSUMER PRODUCTS

Marketing Personnel

Lee Blitch, adv mgr

Advertising Agency

N.W. Ayer, New York—Vicki Gundell, senior acct exec; Gerald C. Coleman, senior vp; Henry H. Hartwell III, Howard E. Tobias, vps-acct super; Mary Emich, Nancy Stoll and Greg Pitturo, all acct execs; Warren Beckman, acct coordinator.

AT&T CONSUMER SALES AND SERVICES

Marketing Personnel

V. Dugan, adv mgr
Bill Rosenthal, exec vp-intl client services
Karen Benson, Wendy Kessler and Barbara Krakower, acct execs

Advertising Agency

D'Arcy MacManus Masius, New York—Erica Mann, acct super.

AMR Corp.

	1983	1982
Sales.....	\$4,763,387,000	\$4,176,974,000
Earnings.....	227,867,000	(19,613,000)
U.S. Advertising.....	80,000,000	61,641,400

*Worldwide

AMR Corp., Dallas, is the nation's 76th largest advertiser with estimated expenditures of \$80 million in 1983, a 30% increase over 1982.

Battered in 1982 by intense competition from smaller low-cost airlines and major carriers as well, AMR's principal subsidiary, American Airlines, returned to profitability in 1983 through a concerted effort to increase productivity and reduce costs.

AMR's net earnings of \$227.8 million in 1983 contrasted sharply with a net loss of \$19.6 million the year earlier and set the stage for a major expansion effort in 1984.

For the six months ended June 30, 1984, AMR reported net earnings of \$131.7 million on sales of \$2.6 billion compared with first-half 1983 net earnings of \$11.5 million on sales of \$2.2 billion.

American Airlines, the nation's second largest airline (United Air Lines is the largest), represents 16.8% of the revenue passenger miles flown in the 50 states plus San Juan and the Virgin Islands.

At the airline's largest hub, Dallas-Fort Worth Airport, American has about 57.8% of the boardings in any given month, representing 48.7% of the seats available.

The gap indicates American is filling a higher percentage of its seats than its competitors.

At Chicago's O'Hare where American operates 205 flights daily (in contrast to 280 at DFW), the airline accounts for about 24% of departing passengers.

American's traffic in July rose 6.2% over the same month a year ago, ranking July 1984 as the second best month in the company's history.

In early 1984, American Airlines ordered 67 new McDonnell Douglas MD-80 jets and purchased an option on 100 additional aircraft, a move that will enable American to expand its Chicago and Dallas hubs throughout 1985 and 1986 and to develop Denver as its third major hub. By 1987, American's installed seats will have increased 33%, to 53,471, up from the current 40,430.

American's expansion plans are based on lower-cost labor contracts that the airline negotiated with its unions during 1982 and 1983, permitting American to hire new employees at lower wages. The new contracts and the acquisition of new, cost-efficient aircraft will enable American to grow at unit costs equal to those of new, low-cost carriers.

As part of its productivity study, American evaluated new marketing opportunities that could produce additional revenue with existing systems.

That effort resulted in the formation of a new subsidiary to perform ground handling activities for other airlines on a contract basis and creation of a new direct marketing subsidiary using excess capacity in its own reservations computer system.

American officials also are striving to establish a difference between American and its competitors through service standards, through advertising of competitive prices and schedules, and by taking a leading role in the restoration of the Statue of Liberty (a project that American expects to accentuate the airline's name).

In 1983, American suspended its service between Dallas-Fort Worth and Brazil, bowing to weakness of the Brazilian economy, which adversely affected passenger traffic of all airlines operating to Brazil.

On May 1, 1984, American introduced daily Super 80 service between Dallas-Fort Worth and Santa Barbara, Cal., and added flights to its service between Texas and Calgary in Alberta, Canada. Also during 1984, American was to have inaugurated nonstop service between Dallas/Fort Worth and Maui and made plans for starting nonstop service between DFW and both Frankfurt, Germany and Paris, in April, 1985.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$12,789,600	\$18,813,000
Magazines.....	405,000	891,200
Spot tv.....	12,325,900	10,759,400
Network tv.....	17,707,100	12,288,800
Spot radio.....	8,300,500	8,429,200
Outdoor.....	134,700	186,200
Total measured.....	51,662,800	51,367,800
Unmeasured.....	28,337,200	10,273,600
Estimated total.....	80,000,000	61,641,400

Marketing Personnel

Robert L. Crandall, president
Thomas G. Plaskett, senior vp-mktg
William P. Shannon, senior vp-field sales/service
Michael W. Gunn, vp-passenger sales and adv
Lowell C. Duncan Jr., vp-corp communications
William E. Crosby, vp-passenger services
M.E. Olsen, vp-capacity and traffic planning
Martin F. Brueckner, vp-freight mktg
Carney W. Wenrich, senior director-freight sales/adv
Ann S. Smi's, senior director-adv
Bruce S. Goodyear, Judith A. Kirvan, mgrs-adv
Andres Spica, mgr-adv
Frank J. DiNuzzo II, senior director-sales promo
Willard J. Dreslin, director-sales promo

Advertising Agency

Bozell & Jacobs/Southwest, Dallas—passenger & freight—Paul Gold, senior vp-group acct director; Tom Hooke, vp-mgmt super; Keith Galus, George Landis, acct super; Molly Walker, acct super-sales promo; Leslie Brown, Jeanette Everitt, Yvonne Leiko, Peter Murphy, Chris Proctor, acct execs.

Anheuser-Busch Cos.

	1983	1982
Sales.....	\$6,658,500,000	\$5,185,700,000
Earnings.....	348,000,000	274,000,000
U.S. Advertising.....	290,616,400	243,355,700

*Worldwide

Anheuser-Busch Cos., St. Louis, the nation's 20th largest advertiser, increased ad spending 19% to an estimated \$290.6 million in 1983. Such spending made A-B the largest advertiser in the U.S. beer industry, a rank befitting the largest brewer.

Last year was the 27th consecutive year in which A-B claimed the title as the nation's largest brewer. The company produced 60.5 million bbls. in 1983, compared with 59.1 million bbls. the previous year. The 1983 production total represented only a 2% increase for A-B, but it came during a year when the industry as a whole showed even less growth. Total domestic production was 177.9 million bbls., up less than 1% from the previous year.

More importantly for A-B, it increased its production lead over the nation's No. 2 brewer, Philip Morris' Miller Brewing unit. Miller's 1983 production was 37.5 million bbls., a 4.5% drop from 1982. A-B thus increased the barrelage gap between itself and Miller to 23 million bbls.

A-B also increased its share of the over-all beer market to 34% in 1983, compared with 33.5% in the previous year. Miller was second with 21%, Stroh Brewery was third (13.7%); G. Heileman was fourth (10%), and Adolph Coors was fifth (8%). That left less than 14% of the domestic market for all other breweries.

The beer industry's stagnant growth performance brought a variety of responses from A-B and other domestic brewers. A common reaction was to increase advertising spending for existing brands to increase or at least maintain their market shares. This is a course that A-B took.

But it also has utilized other tactics to boost sales. Its most notable move came in January, 1984, when it announced plans to introduce a low-alcohol beer. Low-alcohol means less than 2% alcohol, compared with 4% in regular beers. Cincinnati-based Hudepohl Brewing had introduced low-alcohol Pace beer in September, 1983, and C. Schmidt Brewing, Philadelphia, had debuted low-alcohol Break Special Lager in December, but A-B became the first national brewer to test the waters in the new category. Its brand, named LA, entered test markets in April. A-B further surprised the industry by beginning a national rollout of the brand barely a month later.

Other brewers responded quickly to LA's debut. Stroh Brewery introduced Schaefer L.A. Then Heileman produced low-alcohol extensions of its Blatz and Old Style brands (later adding Lone Star L.A. and Rainier L.A.). Miller held back initially, but in August it entered its low-alcohol Sharp's L.A. into test.

None of the brewers could say with certainty that there was a market for low-alcohol beers, but all feared a repeat of Miller's coup in the 1970s when it introduced low-calorie Lite beer. There was a market for such a beer, and Miller, by marketing the first low-calorie brand, grabbed a huge share of that market and remains the dominant player.

Miller had sought—unsuccessfully—to prevent other brewers from using "light" to designate the low-calorie beers that followed Lite's debut, and a similar legal controversy accompanied A-B's introduction of LA. The brewer maintained that LA was a trademark brand name unusable by others.

It won a suit against Stroh Brewing over Schaefer L.A., a brand subsequently renamed Schaefer Low-Alcohol. Suits and countersuits over whether LA was a generic term also were filed by A-B, Heileman and Miller.

D'Arcy MacManus Masius, St. Louis, won the advertising assignment for LA after competition with Needham, Harper & Steers, Chicago, and TBWA, New York. A-B appeared committed to spend at least \$20 million to introduce the brand. The LA campaign DMM created promoted the brand as a complement to consumers' changing tastes and life styles, using the theme "For the way you live today... LA."

A-B also has begun limited testing of a new malt liquor. In some markets, it is packaged under the King Cobra name; in others A-B is trying the Jaguar name.

Budweiser continued to be A-B's flagship brand and the nation's largest selling beer with a 23.1% share of market, according to A.G. Becker Paribas analyst John Maxwell. Miller's High Life and Miller Lite tied for a distant second place with 9.7% shares.

The straightforward "This Bud's for you" campaign has continued, backed in 1983 by \$59 million for Budweiser, a hefty 30% increase over 1982.

But the biggest spending increase came for Budweiser Light, a brand introduced in 1982. A-B shortened the beer's name to Bud Light (explaining that is what customers called it anyway) and expanded the beer's ad budget 39%, spending \$49.4 million for Bud Light in 1983.

In addition to changing the name, A-B and NH&S have changed advertising for Bud Light. The initial "Bring out your best" campaign concentrating on sports figures going all out and

being rewarded with a Bud Light has been replaced by commercials stressing the brand's name. Patrons who tell bartenders, "Gimme a light" receive almost anything but a light beer. Instead they are given lamps, sparklers or neon lights, but no beer. The message is to ask for Bud Light by name.

A-B's superpremium Michelob and Michelob Light brands were hurt by the industry's slump. Michelob production dropped from 7.4 million bbls. in 1982 to 7 million in 1983. Its light version dipped from 2.9 million bbls. to 2.7 million. With the strong U.S. dollar keeping down the price of imported beers, many consumers traded up from domestic superpremiums to imports. New entries at the low end of the beer price spectrum (such as Miller's Meister Brau and Milwaukee's Best) encouraged other drinkers to trade down. Other consumers left the market altogether in favor of wine and wine coolers.

In an effort to halt the sales erosion, A-B also increased ad spending for the two superpremiums. Michelob was backed by \$33.6 million for advertising in 1983, a 29% increase. Spending for Michelob Light increased to \$24.1 million, up 13%.

The spending increase alone could not reverse the slide. A-B became increasingly dissatisfied with the campaigns DMM had developed for Michelob ("Some things speak for themselves") and Michelob Light ("Michelob Light for the winners"). A-B initially began a review of the Michelob account, but it soon expanded to include both assignments. In July, responsibility for Michelob advertising was moved from DMM to Ted Bates Advertising/New York. The Michelob Light assignment was given to NH&S, agency for Bud Light and Busch.

Popularly priced Busch continued to receive comparatively little advertising spending: \$6.9 million in measured media last year, the same as in 1982. But industry observers speculate that

A-B may devote more attention to the brand as the popular (discount) category grows. Miller's Meister Brau and Milwaukee's Best brands have entered the category, joining Heileman's Blatz brand, Stroh's Schaefer, Pabst's Hamm's and others.

The A-B brand that saw the greatest advertising de-emphasis was Natural Light beer. Bud Light now is the brewer's primary light brand, and ad dollars have been shifted to it accordingly. Ad spending for Natural Light dropped from \$16 million in 1982 to only \$5.6 million in 1983.

Wurzbacher Hofbrau, the beer A-B imports from Germany and bottles in the U.S., received token advertising support in 1983—only \$300,000 (vs. \$101,000 in 1982).

In line with parent Anheuser-Busch Cos.' ownership of baseball's St. Louis Cardinals, A-B has tied its beer brands to local and national sporting events through advertising, sponsorships and promotions. In addition to the Cardinals, A-B sponsored 19 other major league teams. Michelob sponsors golf tournaments on the men's and women's tours. Michelob Light sponsors tennis tournaments (including the U.S. Open).

Exclusive network tv sponsorships of sporting events, primarily by A-B and Miller, came under fire last year by Stroh Brewery. The Detroit brewer threatened restraint-of-trade litigation against the network over the long-standing practice of granting advertiser exclusivity. That practice since has begun to lessen, giving Stroh and other brewers an opportunity to buy unsold time during broadcasts that already have brewer sponsors.

A-B has made moves to expand its network tv advertising presence beyond sporting events. It reportedly made a \$16 million upfront prime-time tv buy on a variety of nonsports network tv series for the 1984-85 season.

A-B last year also moved into cable

tv through the joint-venture development of a regional pay tv cable network called Sports Time. The network carries St. Louis Cardinals, Kansas City Royals and Cincinnati Reds baseball games. In fact, A-B is the nation's No. 1 advertiser on cable with 1983 expenditures of \$15.8 million, up 71%, according to the BAR Cable TV Network Report.

One of the more important news events about A-B's involvement in sports came in 1984, when the company signed a consent decree with the Bureau of Alcohol, Tobacco and Firearms, and paid the agency \$2 million, settling a charge that it has exercised a monopoly on beer sales (including instances of predatory pricing) at ballparks, race tracks and stadiums. Industry observers saw the signing of the consent decree as the most important aspect of the agreement, because it means that the bureau can accuse the company and its execs of criminal contempt if future violations are discovered.

A-B's 1982 purchase of Campbell Taggart has given the company a larger presence in the food-products business. CT is the second largest commercial bakery in the U.S., with 58 wholesale bakeries in the Sunbelt and Midwest.

CT's Merico subsidiary, a major manufacturer of private label refrigerated dough products, last year introduced a line of Sun Maid brand products, including cookies, raisin cinnamon rolls and raisin English muffins.

Also new last year was the El Charrito Classic Cuisine line of gourmet Mexican frozen entrees, backed by \$514,600 in ad spending.

A-B backed CT's Earth Grains bread line with \$4.2 million in measured media support. Advertising carried the theme, "The promise of Earth Grains... Bread at its best."

Another \$2.3 million was spent advertising CT's Rainbo, Colonial and Kilpatrick's lines of white breads. The campaign was themed "We've got the best right here."

In 1984, A-B moved the advertising assignment for Campbell Taggart's operations to D'Arcy MacManus Masius, St. Louis.

The company's Busch Entertainment Corp. subsidiary had mixed results in 1983. Attendance at Busch Gardens Tampa (The Dark Continent) fell 6%, to 2.9 million, hurt by the opening of Disney World's EPCOT Center in Orlando. The Adventure Island water park in Tampa, which opened a five-story water slide called "The Gulf Screamer," had its best year ever, with attendance up 16%.

Busch Gardens Williamsburg (the Old Country) saw attendance rise 2%, to 1.95 million visitors. Attendance figures were not released for the two Sesame Place children's parks the company owns.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$4,157,700	\$3,290,700
Magazines.....	10,931,100	10,486,100
Spot tv.....	59,370,000	46,954,400
Network tv.....	116,515,200	95,676,500
Spot radio.....	40,675,500	36,801,000
Network radio.....	6,913,600	6,326,900
Outdoor.....	4,853,300	4,820,100
Total measured....	242,616,400	204,355,700
Unmeasured.....	48,000,000	39,000,000
Estimated total....	290,616,400	243,355,700

Marketing Personnel

Dennis Long, president
Michael Roarty, exec vp
Michael LaMonica, vp-mktg staff
Joseph Martino, vp-sales

Jack MacDonough, vp-brand mgmt
Thomas Sharbaugh, group mktg mgr.
Budweiser and Budweiser Light
Charles Fruit, vp-nail media
David Drew, group mktg mgr, Michelob,
Michelob Light and Michelob Classic
Dark
David Morris, group mktg mgr, Busch and
Natural Light
Mark Lamping, product mgr, LA
John Lodge, director-sales promo
William Thurman, vp-genl mgr, Busch
Entertainment Corp.
Brian Smith, vp-mktg, Busch Entertainment
Corp.
Thomas Burnett, vp-mktg and operations,
Campbell Taggart

Advertising Agencies

D'Arcy MacManus Masius, St. Louis—
Jack Brummer, mgmt super, A-B world-
wide; Jerry Solomon, exec vp-broadcast
group, A-B; Larry Stillman, vp-creative
director; Tim Arnold, senior vp-mgmt
super, A-B beer brands.

Needham, Harper & Steers/USA, Chicago
—Ronald Bess, group mgt rep; John Green-
ing, acct super, Bud Light; Mike Kearns,
acct super, Busch; John Greening, acct
super, Michelob Light.

Pat Martin, acct director, Busch Entertain-
ment Corp.
TBWA, New York—Barrie Hedge, acct
super, Eagle Snacks.

Ted Bates Advertising/New York—Michelob—
Steve McCloskey, acct super.

Castor Spanish International, New York
—Hispanic marketing—Carlos Delgado,
director.

JP Martin Associates, New York—malt
liquors—Joel Martin, president-creative
director.

Batus Inc.

	1983	1982
Sales*.....	\$4,064,000,000	\$3,307,000,000
Earnings*.....	259,000,000	214,000,000
U.S. Advertising	146,976,900	235,018,200

*U.S. results

Batus Inc., Louisville, Ky., the nation's 43rd largest advertiser, slashed its ad spending to \$146.1 million in 1983, a sharp drop of 37.8% from the previous year.

The steep decline resulted from the company's decision to hack away at ad budgets for its cigaret brands as their market shares continued to slip. The cut also comes in the context of lesser marketing support for Barclay, the brand introduced in 1981 with an unprecedented \$150 million in advertising and promotional support.

The reduced investment in advertising, however, didn't result in lower sales levels. Batus, the U.S. subsidiary of London-based BAT Industries p.l.c., recorded U.S. sales of \$6.06 billion in 1983, up 10% from the previous year. Net income reached \$259 million, representing an increase of 21%.

In 1983, Brown & Williamson Tobacco Corp., the company's cigaret-marketing subsidiary, racked up \$2.13 billion in sales, or 35% of the corporate total. But at the same time, retail operations, bolstered by the addition of Marshall Field & Co. to the company's holdings, brought in \$3.15 billion, or more than half the total.

By contrast, just two years earlier, tobacco sales exceeded those of retail by more than \$300 million.

Yet B&W—the nation's third largest tobacco marketer, after Philip Morris USA and R.J. Reynolds Tobacco Co.—continues to be the Batus subsidiary that wins most of the marketing attention. And in 1983, once again, controversy swirled around Barclay.

At issue has been advertising contending that the brand has 1mg tar and is 99% tar free, claims disputed by the Federal Trade Commission and

B&W's competitors.

The dispute came to a head in the fall as federal Judge Gerhard Gesell ordered B&W to drop the 1mg claim but refused to grant an FTC request that the 99% tar-free claim be prohibited.

B&W has appealed the decision, while the FTC stopped pursuing the 99% issue.

Though Barclay was at the eye of the storm, the ruling could have larger implications because the judge's decision, in effect, questioned the validity of the FTC standardized system of testing cigaret tar levels. A primary issue involved in the litigation was that Barclay's Actron filter "fooled" testing machines. Some contentions placed the cigaret's actual tar level as high as 5mg.

Amid the head-knocking, Barclay's market share began to lose steam. The brand, introduced with \$150 million in advertising and promotion, reached a 1.3% share in 1982. But the latest figures from John Maxwell, managing partner of A.G. Becker Paribas, put the share at 0.7%.

Advertising for the brand—still featuring a sleek, urban look—has dipped considerably since the introductory year, though by most standards support remains heavy. In 1983, B&W spent \$23.2 million in measured media advertising for Barclay, down from \$52 million in 1982.

Barclay is not the only B&W product to be embroiled in a legal battle. Following in the path of Liggett & Myers Tobacco Co., B&W this year introduced generic cigalets, a market segment that has drawn considerable attention.

Almost immediately, L&M charged in a suit that the packaging for B&W's generic came too close to copying the "Gold Q" quality seal trademark L&M affixes on its pack. B&W's generics carry a black-and-gold "Q" seal across the top of their packs.

Later, L&M amended the suit with allegations that B&W was practicing predatory pricing.

For its part, B&W has responded by saying the company intends to "vigorously defend our right to compete."

Whatever the outcome of the suit, industry observers believe that there is room for growth in generics. Although there are signs that the segment is stuck at a market share of about 4%, some projections believe the category eventually will exceed 10%.

Generics probably don't mean as much to B&W as they do to L&M, the smallest of the six major cigaret marketers in the country.

B&W's six brands have combined to give the company 10.8% of the market, a figure that has been declining for at least five years. No. 1 Philip Morris and No. 2 R.J. Reynolds each have shares in the 30 percentile range.

As with other marketers, B&W has sought to energize its shares by segmenting its marketing effort. Richmond, a 25-per-pack cigaret B&W introduced in 1983, is a prime element of this segmentation strategy.

Among B&W's established brands, Kool is the only one among the top 10 domestic best sellers. The second ranking menthol brand, next to Reynolds' Salem, Kool has a 6.9% share, a figure that has been dropping steadily in recent years.

Much of Kool's marketing support rests on sponsorship of the Kool Jazz Festival, held in different cities across the U.S. B&W spent \$2.7 million in measured media support for the festivals in 1983. Over-all measured media outlays for the brand reached \$36 million, down from \$55.1 million in 1982.

Raleigh and Viceroy shares dropped too, to 1.2% and 1.1% respectively. As with its other brands, B&W substantially cut measured media support for each of the brands in 1983, as together they received \$19.4 million. In 1982, the total for the two brands was \$29.3 million.

In its retail group division, Batus bathed in the glow provided by heavy consumer spending. With Marshall Field in tow, the division's operating income rose 31% from 1982, reaching \$218 million in 1983 on sales of \$3.1 billion, also up a hefty 27%.

The Marshall Field acquisition,

People performs

"People's a hot property...
It helps keep
Campbell contemporary."

—Paul N. Mulcahy
President—CSC Advertising Inc.
Campbell Soup Co.



YOU LOOK
GREAT IN
OUTDOOR

IOA

INSTITUTE OF OUTDOOR ADVERTISING

which came in 1982, has provided horsepower to the division's income capacity. Batus said that in 1983, Field's operating income rose 31% from 1982. In addition, furthering its expansion into the Texas market, Field's opened its second store in Houston in 1983.

Saks Fifth Avenue, a shining star among the retail units, joined the expansion kick characteristic of upper-end retailers. In 1983, the New York-based retailer opened four new stores, in Houston, New Orleans, San Diego and Stamford, Conn. Not all Batus retail holdings, however, have worked out. In 1983, the retail group sold Kohl's Food Stores, located primarily in Wisconsin and Illinois, to the Great Atlantic & Pacific Tea Co., leaving only department and fashion stores in the company's roster.

As with most retail operations, measured national media advertising is limited. Local advertising, which ADVERTISING AGE does not monitor in this issue, tends to grab the major ad dollars. The heaviest national support—

\$4.6 million—went to Gimbels, followed by Marshall Field, \$3.2 million; Frederick & Nelson, \$3.1 million, and Saks Fifth Avenue, \$2.2 million.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$17,803,200	\$42,893,600
Magazines.....	44,290,300	73,461,500
Spot TV.....	14,234,500	15,905,000
Spot radio.....	37,300	218,100
Outdoor.....	22,420,400	42,537,100
Total measured....	108,785,700	175,015,700
Unmeasured.....	37,291,200	59,994,500
Estimated total....	146,076,900	235,010,200

BATUS TOBACCO GROUP BROWN & WILLIAMSON Louisville, Ky.

Marketing Personnel
R.A. Blott, senior vp-corp mktg
Marketing Operations
D. Keeney, creative services mgr
C. Lomicka, creative services associate
S. Moss, creative services asst
T.P. McAlevy, media director
R.J. Miller, mgr-special events
D. Sharp, promo director
C.M. Smith, mgr-special promos
L.L. Greenwell, super-promo fulfillment
N.A. Spriggs, super-promo couponing

G.P. Ward, promo mgr
M. Steele, promo mgr
J. Hendricks, merch mgr
M. Novak, materials mgr
F. Criss, promo super
J.S. Griffith, S.T.P. mgr

Marketing Planning

D.S. Johnston, vp-mktg planning
G.T. Reid, planning director
A. Forsythe, planning mgr
N. Steinschulte, planning associate
R. Kopp, forecasting mgr
G. Pyndus, senior analyst
J. Curtis, analyst
H. Hughes, special projects mgr
A.J. Mellman, M.R.D. director
B. Sproule, research mgr-established brands
J. Woods, R. Medicus, B. Pellett, analysts
L. Gravelly, research opinions mgr
D. Beatty, J. Wilhelm, testing coordinator
T. Albert, T. Sommers, senior analysts

New Products

E.T. Parrack, vp-new products
L.R. Lewis, B.L. McCafferty, E.A. Willets,
new prod director
P.S. Weasel, M.A. Schreiber, S.M. Finley,
new prod mgrs

Sales

S.D. Zolper, new prod associate
L.W. Butler, vp-sales

B.V. Gawley, F.J. Schoenheiter, G.A. Korfage, H.E. Higgins, H.C. Howells, area sales directors
D.P. Christensen, director-natl sales devel
A.E. Rozek, director-special mktg
T.E. Dlwosh, I.E. Otte, zone mgrs
W.C. Montgomery, admin-special mktg
D.J. Bores, director-trade devel
G.A. Greenier, natl acctg mgr
S.E. Kronk, mgr-wholesale acctg
P.R. Buckthal, analysis super
L.V. Rush, associate analyst
W.D. O'Brien, mgr-trade adv and conventions
W.G. Lampert, trade relations coordinator
J.K. Tharaldson, mgr-sales planning
J.A. Hinder, senior project mgr
S.R. Smith, super-project devel

Advertising Agencies

Geer, DuBois; New York—Richland—Brian Sherwood, senior vp-acct mgr; Bob Rosegarden, vp-group acct mgr; Mike Garcia, acct exec.
Cunningham & Walsh, Chicago—Kool, Raleigh, Belair—M. Mayers, senior vp-mgmt super (domestic); R. Parker, senior vp-mgmt super (intl); R. Vail, senior vp-mgmt super, Kool; E. Hannum, vp-group super, Raleigh, Belair.
Ogilvy & Mather, New York—Barclay—C. Newbrand, senior vp-mgmt super; A.

Sunderland, acct exec; W. Gray, acct super.
McKinney, Silver & Rockett, Raleigh, N.C.—noncigarette prods—L. Jacobs, exec acct mgr; T. Horner, acct exec; F. Schmidt, acct super.
Grey Advertising, New York—Viceroy—R. Schoenfein, exec vp-mgmt rep; S. Dammers, vp-acct mgmt; R. Hendricks, vp-acct super; M. Garcia, acct exec.

BATUS RETAIL GROUP

Marketing Personnel

Robert Gottlieb, senior vp-mktg, Gimbels-east
D. Oscarson, senior vp-sales promo, Gimbels-Pittsburgh
Roy Boutiller, senior vp-mktg, Gimbels-midwest
Curtis Natvig, vp-sales promo, Kohl's department stores
Jay Baker, president, Thimbles
George Love, senior vp-sales promo, Marshall Field
Marilyn Levey, vp-mktg and sales promo, Frederick & Nelson
Bartley Durant, president-Crescent
Gerald Ferree, vp-sales promo, Breuners
Kirby Smith, senior vp-sales promo, Ivey's Carolinas
Mason Allen, senior vp-merch, Ivey's Florida
Paul Le Blang, senior vp and director-mktg, Saks Fifth Ave
Wm. Berta, vp-sales promo, Saks Fifth Ave

BATUS PAPER GROUP

APPLETON PAPERS

Marketing Personnel

J.W. Turner, senior vp-mktg
D.W. McIntosh, director-sales
R.P. Sherrer, director-mktg
S.W. Garratt, director-intl mktg

Beatrice Cos.

	1983*	1982*
Sales.....	\$13,442,885,000	\$12,528,000,000
Earnings.....	550,000,000	151,000,000
U.S. Advertising	602,775,400	659,964,400

*1983 totals pulled from Beatrice fiscal year ending Feb. 29, 1984, and Esmark (includes 4 months of Norton Simon) fiscal year ending Oct. 27, 1983; 1982 totals are composite of full year results of Beatrice, Esmark and Norton Simon as independent companies.

With a host of new brands coming aboard under the recent acquisition of Esmark Inc., Beatrice is likely to become the nation's largest food and consumer products company and certainly one of its biggest advertising spenders.

Ad spending last year, on a pro forma basis for the combined companies, totaled an estimated \$602.8 million, which made Beatrice the third largest advertiser in the country.

Beatrice alone spent \$293 million on advertising, and Esmark—which only last year acquired Norton Simon Inc.—spent \$309.8 million, which included about four months of Norton Simon advertising expenditures. New York-based Norton Simon spent \$191.2 million on advertising in 1982 when it recorded almost \$3 billion in sales.

Beatrice and Esmark ad expenditures are treated as one for the purpose of this issue even though the merger did not occur until August, 1984. Beatrice acquired control of Esmark in a \$2.8 billion deal.

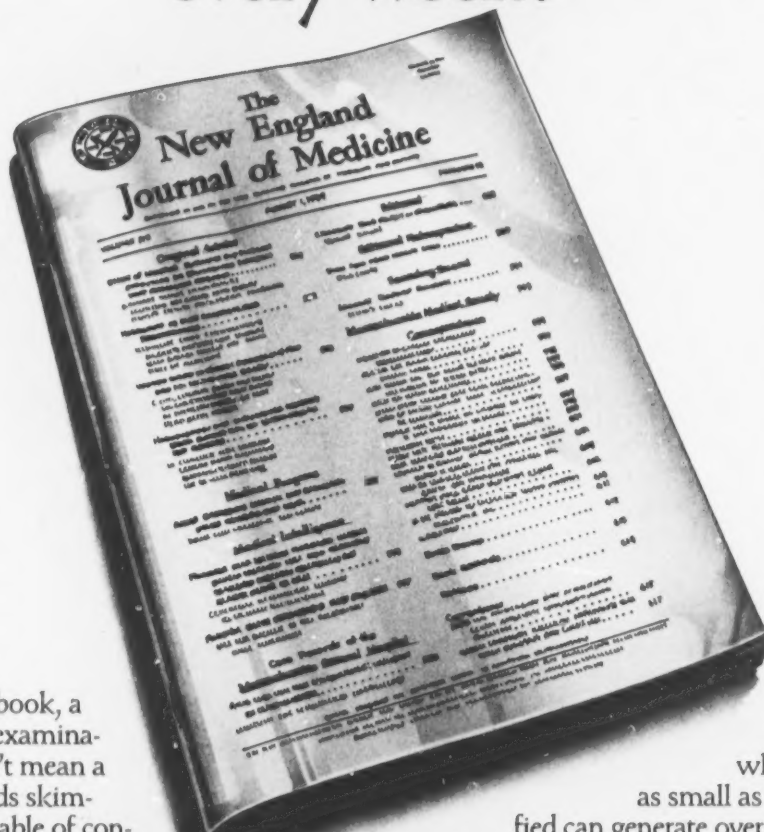
In 1982, ad expenditures for Beatrice, Esmark and Norton Simon were \$271.1 million, \$197.8 million and \$191.8 million, respectively, totalling \$660.7 million in combined ad spending. Beatrice 1983 ad expenditures account for only four months of Norton Simon spending in the three-company total of \$602.8 million—leaving eight months of N-S ad spending unaccounted for and making a year-to-year comparison meaningless.

The combined companies are estimated to have sales in excess of \$15 billion this year, although that likely will be reduced through expected divestitures.

Beatrice announced at the end of July that it would put up for sale five units—its chemical unit and Esmark's Estech unit, its bakery and cookie operations, Buckingham Corp. liquor business and its food-equipment operations. The units have combined annual sales of \$1.3 billion.

The acquisition of Esmark came in the midst of a two-year effort by Beatrice to shed dozens of marginally performing units, centralize its operations and establish a clear-cut corporate identity. Known until a few months ago as Beatrice Foods Co., the company

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In our book, a thorough examination doesn't mean a few seconds skimming the table of contents. Over 70% of all doctors spend a half hour each week with the New England Journal of Medicine.^{*} Reading it more often and more thoroughly, according to Media-Chek, than any other clinical book.^{**} They read everything. Our editorial. Our classifieds. Our ads. That's

why an ad as small as a classified can generate over 2000 responses.^{***} Given this unique relationship between doctor and publication, it's not surprising to find that NEJM ranks #1 in high prescribers.

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The New England Journal of Medicine, 1440 Main Street, Waltham, MA 02254 (617) 893-3800

*Based on 1984 in-house universe study of U.S. physicians **Healthcare Communications, Inc., January 1984, Core Group Physicians

***Based on in-house study of box number replies only.

changed its name earlier this year to reflect its longstanding, broad diversification into other well-known products such as Samsonite luggage and Culligan water treatment systems, as well as Mr. Dutt's belief that the word "Foods" identified the multinational company in international eyes as a U.S.-based concern.

Beatrice launched a \$29 million Winter and Summer Olympics ad campaign under a "You've known us all along" theme, its first major corporate identity effort aimed at spreading the strength of national Beatrice brands such as Tropicana orange juice to regional items such as Eckrich meats that the company wants to sell nationwide. The summer version of the ads were revised to include several Esmark brands.

The new identity will be reinforced by redesigned packaging to unify the look of major Beatrice brands such as La Choy. The new packaging will start appearing in December. It is not known yet whether the packaging of Esmark brands will be redesigned.

The merger presents a formidable challenge in the melding of the two huge operations, as well as an opportunity to capitalize on Esmark's national distribution and marketing strengths.

These tasks will be particularly challenging to executives like Anthony Luiso, new head of the U.S. Food segment and a veteran Beatrice manager who was previously in charge of the international food area. He will be working with many new staffers due to restructuring and the attendant losses from a merger. Beatrice, for example, lost a key Esmark executive in the merger: Frederick Rentschler, the highly regarded head of the combined Hunt-Wesson and Swift & Co. operation.

One of the key attractions for Beatrice was Esmark's Hunt-Wesson Foods operation, which was formerly under the aegis of Norton Simon. The California-based unit has a strong West Coast distribution system that will help regional Beatrice brands go national.

With nearly \$1.7 billion in revenues, Swift/Hunt-Wesson will be a major addition to Beatrice's domestic food sales, which totaled about \$2.3 billion

last year.

Swift's Brown 'n Serve sausage products maintained their market leadership in the precooked sausage area with record sales last year, the company said, while Peter Pan peanut butter maintained its third-place market share of about 14% under increased competition and heavier ad spending by existing brands, such as Procter & Gamble's Jif.

Hunt-Wesson introduced a thicker catsup to compete more aggressively against market leader H.J. Heinz Co., and an All Natural barbecue sauce was introduced nationally and achieved the second highest share of that market, after Kraft, according to the company.

Intensified marketing and line extensions also are planned to maintain Hunt-Wesson's No. 1 position in tomato sauce, tomato paste, popcorn, packaged pudding and sloppy Joe sauce.

Beatrice's La Choy maintained its lead over archrival Chun King in the oriental food category, according to Beatrice, with an increase in volume backed by more than \$3 million in measured ad spending—making it one of Beatrice's most heavily advertised brands.

But the most ad dollars were put behind Tropicana juice products, which faced strong new competition in the \$1.2 billion ready-to-serve orange juice market last year from Procter & Gamble's Citrus Hill. Beatrice spent nearly \$9 million in measured advertising to maintain Tropicana's No. 1 position—an estimated 28% market share in the ready-to-serve category—against a reputed \$100 million campaign to roll out Citrus Hill, which achieved an estimated 9% market share behind Coca-Cola's Minute Maid at 18%.

Beatrice reportedly plans a 35% increase in Tropicana ad spending to more than \$15 million this year, with a "Squeeze me a glass of Tropicana" campaign designed by the new agency on the account, Benton & Bowles, New York.

Sales and earnings for Samsonite luggage were flat compared with the previous year despite about \$4 million in measured ad spending. Beatrice's second largest measured outlay for a single brand. The company blamed the strong dollar for reducing overseas results and changes in consumer demand.

In other consumer products, Esmark's International Playtex unit achieved record sales and earnings, while Danskin suffered lower profits due to increased competition and changing consumer tastes, which it plans to counteract by developing new products, the company said.

Last year also saw a major realignment of Beatrice's advertising agency roster, with about \$120 million in billings at about 100 shops reduced to eight advertising agencies, although that number was expected to increase with the acquisition of Esmark.

A Beatrice marketing source said there seemed to be no account conflict problems, so no realignment of the Esmark ad agencies apparently was expected.

The big loser was Cunningham & Walsh, which wound up with no business after previously handling two major brands—La Choy and Aunt Nellie's canned vegetables.

Leo Burnett USA, which advised Beatrice on the agency selection process, came out with the most new business, about \$14 million in billings, in-

cluding Eckrich Meats, Fisher Nut and Samsonite.

J. Walter Thompson USA's New York office lost the Samsonite account, but its Chicago office gained ethnic foods and Aunt Nellie's vegetables.

ADVERTISING EXPENDITURES

	1983*	1982**
Newspapers.....	\$17,232,700	\$11,475,800
Magazines.....	50,249,800	46,999,900
Farm publications.....	516,900	—
Spot tv.....	45,955,000	44,385,000
Network tv.....	97,665,000	90,212,200
Spot radio.....	5,258,800	2,685,500
Network radio.....	487,800	1,185,800
Outdoor.....	4,421,500	5,710,200
Total measured.....	221,727,500	282,654,400
Unmeasured.....	381,047,900	457,310,000
Estimated total.....	602,775,400	659,964,400

*Includes Beatrice and Esmark totals, and four months of Norton Simon Inc. expenditures after the July, 1983, acquisition.

**Includes full year of Norton Simon Inc. expenditures.

BEATRICE COS. INC. Chicago

Marketing Personnel

James L. Dutt, chairman
U.S. Food
Anthony Luiso, exec vp-president
Fred M. Adamany, senior vp and president—refrigerated grocery group
Thomas P. Kemp, senior vp and president—dry grocery group
John R. Atwood, senior vp and president—beverage group
Harold J. Handley, senior vp-mktg services
J.J. McRobbie, senior vp-sales and trade relations
Barbara M. Knuckles, vp-director, mktg rsch
Patrick Kane, director-adv
Lee F. Reiser Jr., director-trade relations
Keith Landau, mgr-media planning and buying

Consumer Goods

Joel E. Smilow, exec vp and president—consumer prod segment
Nolan D. Archibald, senior vp and president, household prod group
Walter E. Bregman, senior vp and president, International Playtex Inc.

International Food

William S. Mowry, exec vp
Beatrice Chemical*
Harry C. Wechsler, senior vp
Avis Inc.*
J. Patrick Barrett, chairman-ceo
Eatech Inc.*
Edward R. Vrablik, president-ceo
Estronics Inc.*
James M. Snodgrass, president-ceo
*May be divested

Advertising Agencies

Benton & Bowles, New York—Tropicana

prods—Steve Davis, mgmt super; Wendy Greenfield, acct super; Karen Kappelman, acct exec.

Bozell & Jacobs, Minneapolis—Sanna, Swiss Miss—Steve Chase, senior vp and mgmt super; Steff Gumingo, acct exec; Martha White—Ron Harvieux, acct super. Chicago—Mountain High Yogurt, Earl Arnold, acct super.

Leo Burnett USA, Chicago—Marv Polack, acct super. Eckrich meats—Rick Brenner, acct exec; Fisher Nut, Lowrey's snack foods—Catherine Galusza, acct exec; Samsonite—Ray Pokorny, acct exec.

D'Arcy MacManus Masius, Chicago—County Line cheese—Jeff Guerrant, acct super; New York—Buckingham Corp.—Dan Cole, vp-mgmt super; Helen Runsdorf, acct super; Brian Kardon, acct exec.

Flair Communications, Chicago—corporate sales promo—Judy Coffey, acct exec.

J. Walter Thompson Co., Chicago—ethnic foods—Peggy Pilas, vp-acct director; La Choy—Alan Rose, acct super; Doug Rothrock, acct rep; Rosaria, Aunt Nellie's—Conchita Lockhart, acct super; Kathy Valdiserri, acct rep; Los Angeles—Arrowhead and Great Bear bottled water—Mark Lehman, acct super.

Mandabach & Simms, Chicago—food service/technology products—Lee Lippman, acct vp.

Marsteller Inc., Chicago—Culligan water treatment—Jay Rowell, vp and mgmt super; Tracey Stoll, acct exec. Stiffel lamps—Dave Hamel, mgmt super. Meadow Gold, Viva and Louis Sherry dairy products—Dennis Mergen, Bob Ball, acct supers. Beatrice corp advertising—Greg Carroli, vp-mgmt super; Chris Svoboda, acct super. Los Angeles—LouverDrape and Del Mar window coverings—Beverly Blake, mgmt super; Jack Bernstein, acct super; Meredith Felton Miller, senior acct exec; Fran Sussman, acct coordinator.

McCann-Erickson, Los Angeles—Coca-Cola of Los Angeles—Dennis McLaughlin, vp-mgmt rep; Kim Dunn, senior acct exec; Ken Kimmel, acct exec. New York—Bonkers cat treats—Jenny Ogsbury, acct exec.

Esmark Advertising Agencies

Compton Advertising, New York—international bras, girdles—John LaCroix, acct super.

Dailey & Associates, Los Angeles—Peter Pan peanut butter, Sunlite Oil, Snack Pack pudding, Reddi-Whip—Steve Chabre, exec vp-mgmt super; Brian Morris, vp-acct super; Nancy Poor, senior acct exec. Hunt's All Natural barbecue sauce and new products—James Helin, exec vp-mgmt super; Jane Fox, vp-acct super; Arlene Spector, acct exec.

Don Costello & Co., Chicago—International Entrees—Scott Schiaze, acct exec.

Grey Advertising, New York—Swift—Jeff Stein, mgmt super. Playtex—Robert Schoenfeld, exec vp. STP—William Lucas, mgmt super.

Ketchum Advertising, San Francisco—Robert Kroyer, exec vp. Soup Starter, Stew Starter, tomato prod, new prod—Michael Goeffi, mgmt super. Wesson Oil—Diane Snedaker, mgmt super. Convenience foods—Ann Fisher, mgmt super.

Rosenfeld, Sirowitz & Lawson, New York—Jhirmack hair care products and Givenchy hosiery—Linda Srere, senior vp-mgmt super.

Beecham Group p.l.c.

	1983	1982
Sales*	\$2,800,000,000	\$2,519,600,000
Earnings*	385,000,000	399,400,000
U.S. Advertising	134,126,800	120,700,000

*Worldwide

Beecham Group p.l.c., a British chemical and consumer company, spent an estimated \$134.1 million in U.S. advertising in 1983, an 11% increase, to become the 50th largest national advertiser.

Beecham in the U.S. is comprised of three divisions: Beecham Products, Pittsburgh; Beecham Cosmetics, Chicago; and Beecham Laboratories, Bristol, Tenn.

Of the total advertising budget in 1983, Beecham spent \$90.5 million in measured media, paced by \$78.8 million in network tv, \$7.2 million in spot tv and \$3.4 million in magazines. This compares with measured media spending of \$80.5 million in 1982, some \$66.7 million in network tv, \$5.2 million in spot tv and \$7.8 million in magazines.

Products from J.B. Williams Co. are now among the leading Beecham advertised products. Williams, purchased from Nabisco Brands in 1982, drew maintenance level ad support in 1983 for Geritol products, \$7.9 million (up 6.8% from 1982), Aqua Velva aftershave lotion, \$3.5 million (up 6%), and Sominex products, \$3 million (down 6%), and Vivarin stimulant tablets, \$1.2 million (up 18%). Williams Letric Shave got a boost in media spending from \$803,400 in 1982 to \$1.8 million in 1983.

Beecham's leading advertised product, Aqua-fresh toothpaste/gel, received \$24.5 million in ad spending, down 10.3%.

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The top 25 newspaper advertisers

Rank	Advertiser	Expenditures (\$000)			
		1983	1982	1983 as % of total advertising exp.	1982 as % of total advertising exp.
1	R.J. Reynolds Industries*	\$112,343.0	\$123,174.8	18.9	23.2
2	General Motors Corp.*	88,578.5	86,965.2	14.9	15.8
3	American Telephone & Telegraph Co.*	71,995.4	34,467.2	15.5	9.2
4	Philip Morris Inc.*	65,271.9	83,793.8	12.4	9.1
5	Ford Motor Co.*	49,602.6	45,582.6	10.4	14.5
6	Chrysler Corp.*	31,845.7	29,597.5	13.8	17.1
7	Delta Air Lines*	31,810.0	24,664.6	49.7	50.0
8	RCA Corp.*	31,716.3	28,273.3	14.9	17.7
9	Batus Inc.*	27,803.2	42,893.6	19.0	18.3
10	Loews Corp.*	22,533.3	22,645.4	16.9	21.9
11	Eastern Air Lines*	22,460.8	21,625.4	32.1	37.7
12	Trans World Corp.*	21,925.3	19,857.3	21.6	21.7
13	Pan American World Airways	19,202.2	24,077.7	N/A	N/A
14	Texas Instruments*	16,871.6	3,319.1	13.1	4.7
15	CBS Inc.*	15,829.3	15,917.7	9.4	10.0
16	Warner Communications*	15,717.9	18,875.6	6.3	8.1
17	Xerox Corp.*	13,824.3	5,779.3	12.6	7.2
18	AMR Corp.*	12,789.6	18,813.0	16.0	30.5
19	Toyota Motor Sales U.S.A.*	12,570.7	15,611.1	11.1	14.0
20	GTE Corp.*	12,414.0	1,620.9	17.7	6.4
21	Texas Air Corp.	12,390.4	10,574.9	N/A	N/A
22	American Express Co.*	12,336.7	11,840.3	11.5	12.4
23	General Electric Co.*	12,219.8	6,054.1	6.2	3.8
24	International Business Machine Corp.*	11,719.6	9,488.4	9.8	12.8
25	Republic Airlines	11,659.9	9,585.1	N/A	N/A

Source: Media Records

*Indicates a 100 Leading Advertiser

Beecham put the greatest year-to-year ad increase into Calgon multi-product advertising and water softeners, raising measured spending on the products from \$4.5 million in 1982 to \$12.6 million. Calgon introduced a new moisturizing bath foam near the end of 1983, and continued promoting the water softener and dry bath products marketed under the Calgon trademark. Along with the increased spending, Beecham pulled the Calgon business from advertising agency Cunningham & Walsh, New York, and placed it with Avrett, Free & Ginsberg, which has been handling Brylcreem and Letric Shave among Beecham products. C&W retained several other products, including big spenders, Somnax and Cling Free, the latter receiving measured media support of \$5.4 million, up 14.9%.

In another agency switch, Beecham's Jovan cosmetics and perfumes agency, Zwiren & Wagner, Chicago, got the Yardley of London business from Bozell & Jacobs, Minneapolis, in the first quarter of 1984.

Massengill disposable douche and N'ice Sugarless cough lozenges drew \$7.2 million (up 31%) and \$6.4 million (up 2%), respectively, in measured media spending.

In February, Beecham Cosmetics introduced Jovan Whisper of Musk with a \$4 million tv, radio and print advertising campaign and is supporting the fragrance with a 31 million-piece sampling program through magazines and stores.

The campaign gave a shot in the arm to spending for the Jovan branded line, which in 1983 was down to \$1.4

million (down 37% from 1982) for all products. Beecham's other scents, new products Gambler, a men's cologne, and Lady, a women's perfume, drew \$1.7 million and \$1.3 million, respectively.

An infusion of ad dollars boosted media spending for Suretts lozenges 38% to \$5.8 million.

The Beecham laboratories division experienced favorable growth with its prescription drug, amoxil, which became the second most widely prescribed new prescription drug in 1983, according to *American Druggist* magazine.

The division hoped to begin marketing Agmentin, an oral antibiotic, this August.

In legal action, a \$92.9 million suit filed last year by Oleg Cassini Inc. against the company and its principals is still pending. Cassini alleges that Jovan and defendants failed to promote and develop Cassini products in the fragrance field.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$14,300	\$54,600
Magazines.....	3,378,100	7,783,900
Farm publications.....	728,600	599,500
Spot tv.....	7,151,400	5,203,900
Network tv.....	78,806,600	66,725,100
Spot radio.....	26,800	100,200
Network radio.....	410,600	—
Total measured.....	90,516,800	80,466,600
Unmeasured.....	43,610,000	40,233,400
Estimated total.....	134,126,800	120,700,000

BEECHAM PRODUCTS DIVISION

Marketing Personnel

R.A. Snell, vp-mktg
M.L. Kelley, vp-mktg
R.F. Creighton, vp-mktg services
R.M. Lancaster, vp-sales

BEECHAM COSMETICS USA

R.E. Meyer, president-coo
B.E. Shipp, exec vp
Bruce Cowgil, director-mktg services

JOVAN INC.

Albert Bistany, senior vp-coo
Neil Rocklin, vp-sales

OMNI COSMETICS/-

YARDLEY OF LONDON
John Small, senior vp-coo

John Southern, vp-sales
BEECHAM BEAUTE'
Diane von Furstenberg
Cosmetics

Gary Savage, coo
Steve Nisenholz, vp-sales
Vitalbath/Zizanie

Don Deegan, vp-genl mgr
William Gould, natl field sales mgr
Lancaster Cosmetics/-
Parfums Hermes

Alex Kessler, vp-genl mgr
INTERNATIONAL

John Chen, vp-admin
Rodman Heckman, vp-mktg
BEECHAM LABORATORIES
DIVISION

M.M. Jones, president
T.G. Wood, vp-sales and mktg
G. Cowell, veterinarian sales and mktg mgr
Jack Johnson, mktg dir
John Battel, natl sales mgr

Advertising Agencies

Frank J. Corbett Inc., Chicago—ethical pharmaceuticals—Don Courtney, senior vp.
Charles Tombras & Associates, Knoxville, Tenn.—veterinary pharmaceuticals—Guy Seymour, acct exec; Robert Widerkehr, vp animal health division; Ed Ruane, vp hospital sales and customer relations.

Cunningham & Walsh, Chicago—Vitalbath, Zizanie men's fragrances, Lancaster Cosmetics, Hermes fragrances, Diane von Furstenberg cosmetics—Eve Hannum, senior vp acct mgmt; Diane Kucera, asst. acct exec.

Zwiren & Wagner, Chicago—Jovan cosmetics and perfumes, Yardley of London.—Kathy Warner, acct super; Jim Hickey, media director.

Avrett, Free & Ginsberg, New York—Brylcreem, Letric Shave, Calgon Water Softener and new prods—Sheldon Holzer, senior vp, mgmt service director.

Cunningham & Walsh, New York—Cling Free, Fruit-Fresh, N'ice, Somnax, new prods—Dana Tower, mgmt super; Lisa Baker and Vaune Davis, acct execs.

Grey Advertising, New York—Ace combs, Aqua-fresh, Aqua Velva aftershave, Calgon bath products, Geritol, Massengill, Suretts, Vivarin, new prods—Robert Buruss, senior vp.

Bristol-Myers Co.

	1983	1982
Sales*	\$3,917,000,000	\$3,599,900,000
Earnings*	408,000,000	348,700,000
U.S. Advertising	235,000,000	205,000,000

*Worldwide

Bristol-Myers Co., New York, the nation's 26th leading advertiser, is estimated to have spent \$235 million on advertising in 1983, a 15% increase over 1982.

The company registered sales of \$3.9 billion in 1983, a 9% jump over the previous year. Net earnings totaled \$408 million this past year, a 17% climb over 1982.

The company reported its worldwide expenditures on advertising and product promotion grew 15%, to \$651 million this past year. Advertising and product promotion expenses increased as a percentage of sales worldwide to 16.6%, up from 15.8% in 1982.

Bristol-Myers is divided into four segments: Pharmaceutical and medical products, nonprescription health products, toiletries and beauty aids, and household products. Continuing the momentum set in recent years, the medical product segments outpaced the toiletries and household product segments.

On the strength of an 11% sales increase, the pharmaceutical and medical product segment generated an income of \$1.5 billion last year, accounting for 38% of the corporation's sales and 43% of its operating profit. Its growth came on increased sales of anticancer drugs (up 14%) and orthopedic and surgical products (up 20%).

Also, sales of the antidepressant Dyserel, a drug introduced in 1982, doubled in 1983.

The nonprescription health products segment generated a volume of \$1.4 billion on a 13% sales increase. Profits were \$227.2 million, a 31% expansion over the previous year. Nutritional products accounted for 47% of the volume in this product segment, or \$65 million, up 10% over the previous year. The company's analgesic products registered a 1% sales increase over 1982, and its cough and cold remedies were up 10%.

Toiletries and beauty aids, which had suffered a slight decline in volume last year, posted an increase of 2.4%, to \$986.4 million. That figure was aided by a turnaround in sales of antiperspirants, a weak area in 1982. Also helping was the company's emphasis on advertising and promotion efforts supporting the introduction of Clairol Color Renewal System, aimed at first-time hair-color users.

The household products segment brought in a \$337 million volume this year, scoring sales and operating profit gains of 6%.

For the upcoming year, Bristol-Myers has been revving up for what some observers predict to be one of the most hotly contested marketing battles—the competition for market share in the new ibuprofen analgesics category.

Ibuprofen, a pain reliever approved for over-the-counter sale by the Food & Drug Administration a few months ago, is expected to account for a large chunk—perhaps up to \$300 million to \$400 million—of the \$1.3 billion a year analgesics business.

Bristol-Myers, which markets Bufferin, Excedrin and Datril, is entering the ibuprofen battle with a brand called Nyprin, which will go head to head with American Home Product's Advil.

With the stakes so high, both companies are expected to spend generously for advertising support of their new product. Some observers believe media expenditures could go as high as \$60 million. As part of its support, Bristol-Myers took an educational approach. It ran page ads in key newspapers across the nation with informative text about the drug. Consumers who wanted more information were urged to send in a coupon good for a free booklet about ibuprofen.

Nobody knows what impact the new analgesic will have on Bristol-Myers' Bufferin, Excedrin or Datril. The three, which hold a market share of 20%, all recorded sales gains last year. The company continues to build on the extensive support for Datril begun two years ago with the poisonings that hurt competitor Tylenol from Johnson & Johnson. It pumped up the marketing budget for Datril for the second year in a row. In 1983, the brand got almost \$13 million in measured media, most of it in network tv.

Bufferin and Excedrin received a combined total of about \$28 million in measured media, up slightly from last year's \$26.5 million. Of that figure, Bufferin got \$15.5 million and Excedrin got \$12.3 million of the advertising support.

In its deodorant line, Ban got about \$9.9 million in measured media last year, up from the previous year's expenditure of \$7.3 million. The line holds about a 7% market share.

Measured spending for Comtrex cold remedies was about \$10.3 million in 1983, down significantly from the \$17 million budget of 1982.

In Clairol hair colorings and conditioners, where Bristol-Myers is a dominant force in the market, the company continued its heavy advertising support.

Major recipients of measured media budgets included Clairol Color Renewal System (about \$8.5 million), Clairol Loving Care Color—Lotion and Color Foam (\$7.5 million), Final Net Invisible Hair Net (\$5.5 million), Clairol Kindness home permanent (\$3 million), Clairol Light Effects hair color (\$2.7 million), the Carecurel and Carebrush (\$1.3 million) and the Clairol Hairsetter (\$1.1 million).

In Bristol-Myers' Drackett household product division, \$4.5 million was spent to introduce the new Renuzit Fresh N Dry air and fabric deodorizer.

Other major expenditures went to Vanish crystal bowl cleaner (\$6.7 million) and Windex glass cleaner (\$5.1 million).

Early this year, Wayne A. Davis, formerly president of the Mead Johnson division, was named president of the newly formed U.S. pharmaceutical and nutritional division. Randall J. Wall was promoted to president of the Pelton & Crane division from the executive vp position.

Steven B. Ratoff, controller, was selected corporate vp. John W. Melton, senior vp, was named head of planning and development, reporting to Richard L. Gelb, chairman. Mr. Melton was president of the Clairol division and replaces Charles A. Heimbold Jr., who will become president of the healthcare group. Robert M. Phillips was promoted to president of Clairol.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$1,380,300	\$2,045,500
Magazines.....	28,472,200	25,244,000
Farm publications.....	211,900	190,300
Spot tv.....	10,065,900	12,609,900
Network tv.....	120,974,300	105,717,000
Spot radio.....	1,903,900	5,436,400
Network radio.....	1,544,400	1,600,100
Outdoors.....	—	125,400
Total measured.....	164,552,900	152,968,600
Unmeasured.....	70,447,100	52,031,400
Estimated total.....	235,000,000	205,000,000

CORPORATE

Marketing Personnel

Marvin Koslow, senior vp-mktg services
Harry Levine, vp-corp communications
Peter J. Spengler, vp-adv services

BRISTOL-MYERS

PRODUCTS DIVISION

Marketing Personnel

Poley H. Disney, president

Charles E. LaRosa, senior vp-mktg sales

Advertising Agencies

Grey Advertising, New York—Nuprin, Ban antiperspirants, 4-Way Nasal Spray—Clark Montgomery, exec vp; Herb Lieberman, senior vp.

Doyle Dane Bernbach, New York—Excedrin, Tickle antiperspirant—Reis, exec vp.

Laurence, Charles & Free, New York—Comtrex, Bufferin, Congespirin—Charlie Goldschmidt, chairman; Martin Smith, exec vp.

Kenyon & Eckhardt, New York—Datril, Vitalis haircare products—Mary Lou Pritchitt, senior vp.

CLAIROL

Marketing Personnel

Robert M. Phillips, president
G. Max Oakes, vp-mktg
Robert Oppenheim, chairman-professional prods div

Michael E. DeGennaro, president-professional prods div

Advertising Agencies

Chiat Day, New York—Beauty Pack, Hot Oil Treatment, Condition Line—Bob Wolfe, exec vp-genl mgr; Steve Bayer, senior vp.

Doyle Dane Bernbach, New York—Light Effects, Nice 'n Easy, Sea Breeze, Final Net—Milt Harkrader, senior vp.

Foot, Cone & Belding, New York—Loving Care, Frost & Tip, Summer Blonde, Miss Clairol, Essence—Dany Khosrovani, vp.

Grey Advertising, New York—Color Renewal System, Clairese—Harvi Robinson, vp.

CLAIROL APPLIANCES

Marketing Personnel

C. Benjamin Brook Jr., president

Thomas C. Comella, senior vp-sales

F. Peter Cuneo, senior vp

Advertising Agencies

Foot, Cone & Belding, New York—Hairsetters—Charles R. Evans, senior vp-group mgmt director; Nancy Beck, vp-mgmt director.

Calet, Hirsch & Spector, New York—curling irons & brushes, mirrors, hair brushes, health care—Colin Probert, exec vp-act services.

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—Elizabeth Daggett
Director of Advertising
Londontown Corporation

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BRISTOL LABORATORIES
Marketing Personnel
Julius L. Pericola, president
Gary P. Gibson, vp-mktg
Marvin C. Lemons, vp-sales
Bruce R. Ross, genl mgr-Oncology div
Advertising Agencies
Sieber & McIntyre, Chicago (Education div)—Blenoxane, Mutamycin, Platinol, V-Pesid, Mexate—Steve Freeman, acct director
Sieber & McIntyre, New Jersey—Stadol,

Precef—Todd Mahony, acct director.
MED, New Jersey—Salytensin—Mike Bishop, acct super.
WESTWOOD PHARMACEUTICALS
Marketing Personnel
Wilfred J. Larson, president
Barry L. Burnside, vp-mktg
Jon W. McGarity, vp-sales
Advertising Agencies
Frank J. Corbett Inc., Chicago—Desquam-X, Eurax, Sebulex, Statacin, T-Stat, PreSun, Westcott, pharmaceuticals to physi-

cians—John Burns, senior vp.
Laurence, Charles & Free, New York—Alpha Keri, Fostex, Keri Lotion—Al Evans, senior vp-acct super.
PELTON & CRANE
Marketing Personnel
Randall J. Wall, president
James W. Perkins, vp-mktg
UNITER CORP.
Marketing Personnel
John E. Chester, president
ZIMMER
Marketing Personnel
Thomas H. Hughes, president
Ronald L. Davis, exec vp
BRISTOL-MYERS
INTERNATIONAL GROUP
Marketing Personnel
Joseph E. Maroun, president
DRACKETT
Marketing Personnel
Nicholas M. Evans, president
W.F. Flatley, senior vp-sales/mktg
John C. Hassan, vp-mktg
R.J. Uhlmannick, director-adv services
Advertising Agencies
Laurence, Charles & Free, New York—Mr. Muscle, Endust, Nutrament Line, new prods—Martin Smith, Al Evans, mgmt super.
Grey Advertising—Windex, Behold, Drano—Harvi Robinson, mgmt super.

Kenyon & Eckhardt—Vanish line, Vanish Bowl Brite, Renuzit line, Renuzit Fresh N Dry—Jack Couch, mgmt super.
Wilk/Brichta, Chicago—O-Cedar Line—Art Wilk, president; Rob Hasenstab, acct super.

MEAD JOHNSON & CO.
Marketing Personnel
R.C. Egan, president
W.W. Hamilton, president—nutritional div
D.G. Harris, president—pharmaceutical div
Advertising Agencies
Robert A. Becker Inc., New York—Pharmaceutical prods—Raymond A. Perry, acct super.
Frank J. Corbett Inc., Chicago—Nutritional prods—James Miller, senior vp.
Bozell & Jacobs, Chicago—Nutritional prods.

Brown-Forman Distillers Corp.

	1983	1982
Sales*	\$1,146,343,000	\$985,000,000
Earnings*	73,554,000	95,176,000
U.S. Advertising	70,500,000	74,000,000

*Worldwide, fiscal years 1984 and 1983 ended April 30.

Brown-Forman Distillers Corp., under increasing pressure to maximize profits after several years of lackluster sales performance, decreased its advertising spending 4.7% to \$70.5 million for calendar 1983, ranking the Louisville, Ky.-based company 84th largest among national advertisers.

In fiscal 1984 ended April 30, sales increased 29.3% to \$1.15 billion while earnings declined 23% to \$73.6 million.

Total measured advertising in calendar 1983 for Brown-Forman in newspapers, magazines, network and spot tv, spot radio and outdoor was \$39.8 million, down 5.2% from \$42 million in 1982. Of the measured total, some \$12 million was devoted to three of the company's four leading brands—Canadian Mist, Early Times and Southern Comfort—all of which are currently without an advertising agency following the departure earlier this year of McCann-Erickson, New York.

The company's decrease in ad spending is in keeping with an across-the-board cut of 11% in advertising by leading liquor brand marketers, according to *Impact*, an industry newsletter that monitors the movement of alcoholic beverages. The cut in ad spending is tracking an estimated over-all 1.6% volume decline in distilled spirits in 1983, with gains coming only from liqueurs/cordials, U.S.-bottled Canadian, rum and some specialty items, according to John C. Maxwell, analyst with A.G. Becker/Paribas, New York.

At Brown-Forman, wine and spirits accounted for 8% of the year's decline in profit. The balance of the decline in earnings was attributed to financing costs of the company's July, 1983, acquisition of Lenox Inc.—a fine china, crystal, jewelry and luggage maker.

The \$413 million investment in Lenox was Brown-Forman's first outside of the wine and spirits industry. In 1983, Lenox products were supported with \$5 million in six-media total measured advertising.

Among Brown-Forman's leading liquor brands, Jack Daniel's Black Label slipped two notches in 1983, ranking No. 6 among largest-selling liquor brands in the U.S., according to Mr. Maxwell. To achieve its ranking, Jack Daniel's sold 3.7 million nine-liter cases, down 4.3% from the previous year's total.

Brown-Forman figures, however, show Jack Daniel's—the company's largest selling brand—growing by 1% in worldwide sales, thus reflecting generally listless over-all industry behavior. Jack Daniel's attracted 1983 measured ad expenditures of \$5 million—down 2% from 1982—with 81% of that in magazines.

B-F's Canadian whisky entry, Canadian Mist, was first in its category—surpassing Seagram's V.O. for the first time. Over-all, Canadian Mist moved up to rank No. 5 from last year's No. 8, with nine-liter case sales of 3.9 million, according to *Impact*.

Ad spending in 1983 for the whisky was \$7.3 million, down 20% from 1982, compared with \$7.8 million in ad spending for Seagram's V.O., also down 35% from the previous year. Canadian Mist is also 326,000 case sales ahead of Seagram's V.O.

Usher's Scotch grew 2% to 545,000 cases and increased market share, according to the company.

These positive results in fiscal 1984 were offset by declines in Early Times, down 4% in depletions, Southern Comfort, down 6.6%, and a slight slip-page by Old Forester.

Cella wine brands, the largest of B-F's wine and specialty brands—it includes Lambrusco, Bianco, Rosato and Asti Spumante—were No. 2 in the 1983 annual ranking of the top 20 imported wines, according to *Impact*. Cella wine ranked far behind House of Banfi's Riunite, which had 1983 case sales of 11.07 million, up slightly from the previous year's total.

Bolla Italian wines, ranked No. 5 with 1983 case sales of 1.72 million (up 4% from 1982), received \$4.9 million in measured spending in 1983, down 22% from the previous year. Cella wine saw its case total decline 5% to 2.68 million in 1983, compared with

KNOW THY COMPETITION

See page 137



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2.81 million cases in 1982.

Korbel California champagne—the company's fastest growing major brand—effervesced to a 17% increase for fiscal 1984 with depletions of 745,000 cases. It retained its position as the best selling premium California champagne in the U.S. and was supported with measured media spending of \$1.1 million, up 38% from 1982.

Brown-Forman made ad headlines

this year when it became the loser in an agency/client triangle. After 13 years, McCann-Erickson resigned the Brown-Forman spirits account so that it could pick up Heublein's Smirnoff business, which moved out of another Interpublic shop, Marschalk Co.

Although McCann reportedly assured Heublein that it would break with B-F if awarded Smirnoff, B-F execs were not informed until late

June when Willard Mackey, McCann's chairman-ceo, flew to Louisville with the news. At that time, Daniel Schusterman, president of B-F Spirits, said the company would review its marketing strategy internally before beginning an agency search.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers	3,840,500	4,571,900
Magazines	20,875,800	18,536,300
Spot tv	4,667,200	3,851,300
Network tv	3,835,100	7,167,800
Spot radio	1,421,100	742,700
Outdoor	6,182,100	7,680,100
Total measured	39,821,800	42,650,000
Unmeasured	26,678,300	31,950,000
Estimated total	66,500,100	74,600,000

BROWN-FORMAN CORPORATION

Corporate Office
W.L. Lyons Brown Jr., chairman-ceo
M.S. Brown, president-ceo, Jack Daniel Distillery, Lem Motlow, Prop.
W.M. Street, chairman-ceo, B-F Spirits Ltd.
Oswley Brown II, president
J.S. Moremen, vp-secretary
E.G. Bauer, vp
B-F Spirits Ltd.
Marketing Personnel
W.M. Street, chairman-ceo

D.E.M. Schusterman, president
C.J. (Jack) Davis, exec vp-exec director of sales
J.V.O. Kennard, senior vp-group director
T.D. Younkin, senior vp-group director
BLUE GRASS COOPERAGE CO.
M.S. Brown, chairman
A.L. Zimlich Jr., president

BROWN-FORMAN INTERNATIONAL LTD.
E.P. Rutledge, chairman-ceo
R.G. O'Brien, president
W.A. Blue, senior vp-mktg

CANADIAN MIST DISTILLERS, LIMITED
Collingwood, Ontario
W.M. Street, chairman
R.J. Ralph, president

EARLY TIMES DISTILLERS CO.
W.M. Street, chairman
R.J. Ralph, president
JACK DANIEL DISTILLERY, LEM MOTLOW, PROP., INC., Lynchburg, Tenn.
M.S. Brown, president-ceo

LENOX, INC., Lawrenceville, N.J.
J.S. Chamberlin, chairman-ceo
F.E. Grzelecki, president-coo
A.M. Bylin, group vp

E.L. LaForge Jr., group vp
S.F. Lichtenstein, vp-genl counsel and secretary
F.M. Gallagher, vp
G.A. Mays, vp
Steven Simich, vp
SOUTHERN COMFORT CORP., St. Louis, Mo.
W.M. Street, chairman
R.J. Ralph, president

THE JOS. GARNEAU CO.
S.B. Kauffman, president
Raymond Dryden, senior vp-director, brand mgmt
THOROUGHBREED PLASTICS CORP., W.N. Lucas, chairman
W.M. Street, president

Advertising Agencies
AC&R, New York—Keepsake—Constantine Pappas, Sheldon Marks, acct supers.
Advantures, St. Louis—Jack Daniel's, Korbel champagne and brandy (media planning)—Don Stork.

Benton & Bowles, New York—Cella and Bolla Italian wines, Martell cognacs, Old Bushmills Irish whiskey—Tom Carey, acct director; Fred Sawabini, acct super (Bolla, Martell and Old Bushmills); Joe Goldstein, acct super (Cella).

BFV&L, St. Louis—Korbel California champagnes and brandy (creative)—Mark Lashley, mgmt super; Loring VanSlyck, acct super.

Burrell Advertising, Chicago—Canadian Mist, Cella imported wines, Martell cognacs, Southern Comfort—Gene Morris, senior vp-mgmt super; Julius Jones, acct super.

Gardner Advertising, St. Louis—Jack Daniel's (creative)—Charlie Haines, mgmt super; Michelle Shevitz, acct exec; Aly Johnson (new products), acct exec.

Leber Katz Partners, New York—Art-Carved, Lenox China, Lenox Crystal, Hartmann Luggage Co.—Pat Price and Marie Matlicka, acct supers.

Tatham-Laird & Kudner, Chicago—Bols liqueurs and flavored brandys—Dick Sawyer, acct super.

Campbell Soup Co.

	1983	1982
Sales*	\$3,792,433,000	\$3,955,649,000
Earnings*	250,000,000	211,000,000
U.S. Advertising	126,000,000	103,000,000

*Worldwide

Campbell Soup Co., Camden, N.J., the 52nd largest national advertiser, increased its advertising spending to \$126 million in 1983, up 21.4% from the previous year.

Led by president-ceo R. Gordon McGovern, Campbell is pursuing in the 1980s a strategy emphasizing acquisitions and product introductions as the way to boost the annual earnings growth rate to the 12% to 15% range, up from the 7% rate that the company experienced in the 1970s.

Just as corporate-wide earnings met growth rates in 1983, up 18.5% from 1982, they are on track in fiscal 1984, rising 16.6% to \$149.6 million for the first nine-month period compared with the corresponding period a year earlier. Sales during the nine months in fiscal 1984 were \$2.82 billion, up 11.6%.

The largest of the company's 15 divisions, Campbell U.S., markets more than 500 products. The division is divided into nine profit centers: Soups, beverages, pet foods, frozen foods, refrigerated foods, poultry, grocery, foodservice and fresh produce. Its Pepperidge Farm and Vlasic Foods subsidiaries operate as separate units.

Consolidated U.S. totals in 1983 were \$2.76 billion, compared with \$2.37 billion in 1982. Figures included \$1.99 billion for Campbell U.S. division, up 12.4%; \$433 million for Pepperidge Farm, up 10.5%; \$168 million for Vlasic Foods, up 12.8%; \$64 million from "other," up 14.3%, and \$108 million for Mrs. Paul's Kitchen's (not part of Campbell in 1982).

Campbell commands an estimated 65% to 70% share of the \$1.6 billion total prepared soup market in the U.S., and its soup sales accounted for 28% of the company's total 1983 sales. According to the company, its soups received \$25.5 million in measured media spending last year.

The Swanson Le Menu line of frozen dinners completed national distribution in September, 1983. Its success has led the way in the overhauling of the original Swanson tv dinner line.

Backed with \$7.2 million in measured media spending (the major expenditures being \$4.7 million in net-

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work tv and \$1.1 million in spot tv), the Le Menu line is one of Campbell's big recent success stories in the growing frozen dinner and entree market.

Four new dinner varieties are being added to the original eight in a phased national rollout. Recently, Le Menu entrees also have been added in selected test markets.

Helped in large measure by the success of Le Menu, Swanson's basic frozen dinner business reversed a six-year sales decline in 1983. Swanson also has been active with a product quality improvement program, a packaging face lift, and increased ad spending. Swanson's traditional frozen dinners have captured a 55% share of the market.

Measured media spending for the Swanson lineup, apart from Le Menu, totaled more than \$10 million last year, with \$6.3 million going to Swanson frozen dinners, \$2.3 million to Swanson canned chicken and \$1.7 million to Swanson frozen chicken.

Swanson also has repositioned its breakfast entree line under the brand name Great Starts. New packaging features a bright orange sunburst logo on a yellow background. The six-item line, which includes such varieties as pancakes with sausage, scrambled eggs with sausages and hashed brown potatoes and french toast with sausages, is now one of Swanson's fastest growing products.

Prego Plus spaghetti sauce, which is garnished with large chunks of meat and slices of vegetables, began rolling out nationally in the spring of 1984. The new line features three varieties: Italian sausage and green pepper chunks; veal and sliced mushrooms,

and mushrooms and chunk tomatoes.

Introduced by Campbell less than three years ago, Prego spaghetti sauces now hold an estimated 27% share of the national market. Measured spending for the line totaled \$9.7 million last year.

Newly added to the national line in 1983 is No Salt Added Prego spaghetti sauce.

The company is testing Comin' Home dry soups in several markets. A successful test could result in a national Campbell entry into dry soups. Prego also had been test marketing several light broth soups, but that test has been discontinued. Campbell also is experimenting with refrigerated salads, fruit-based yogurts, branded endives and soups in glass containers.

In honor of the Campbell Kids 80th birthday in 1984, the Kids were back in 1984 in tv spot and other promotions that tied in with the 1984 Olympics. They had been retired from tv for the previous five years.

Campbell's Pepperidge Farm subsidiary introduced a number of products last year, including Vegetables in Pastry, croissants, Distinctive croissants, Special Collection cookies and Deep Dish danish. It also completed national distribution of Fruit cookies.

Vegetables in Pastry drew the most supported and was backed with \$4.8 million in measured spending.

Along with its new entries, Pepperidge has had some failures, including Star War cookies and Pepperidge Farm apple juice. The apple juice operation since has been consolidated under the Campbell beverage unit.

The test marketing of a Pepperidge line of premium frozen poultry products, meanwhile, has been discontinued, as has the testing of Pepperidge Farm Bake-at-Home bread.

Campbell continues to be extremely acquisition-minded, and its goal is to digest about \$200 million in acquisitions every other year. During 1983, it acquired Juice Bowl Products, a producer of citrus fruits; Costa Apple Products, a producer of apple juices, and Triangle Mfg. Corp., a maker of physical fitness and sports medicine products.

The company also expanded its Campbell Hospitality operations by acquiring the Tuesday's restaurant chain (since renamed Annabelle's) in the Southwest. The Hospitality unit also includes the upscale H.T. McDoo's in the Northeast and the 50 Pietro's family restaurants in the West.

In May, 1984, Campbell acquired Mendelson-Zeller Inc., a San Francisco-based international broker and distributor of fresh fruits and vegetables.

Campbell's expects that its beverage business will be its major growth area in fiscal 1984-85. Toward that end, it has divided the business into two segments: Natural fruit juices and tomato-based juices.

The fruit juice group includes Juice Bowl, plus the Pepperidge Farm juice line. One of the first items on the marketing agenda will be the national launching of JuiceWorks, a line of blended natural juices aimed at the children's market.

The tomato-based juice group, meanwhile, will continue to concentrate on the traditional beverage business, V-8 and Campbell's tomato juices. V-8 is the unit's flagship brand with a 50% share of the \$310 million red juice market.

Marketing support for the beverages business is being doubled. Primarily,

the new support will go to JuiceWorks' national launching and to a "significantly heightened" ad campaign for V-8.

The Vlasic Foods subsidiary is Campbell's third largest division. It is the market leader in pickles, with a 28% share of the market. Vlasic hiked its marketing spending 20% over 1983 and increased its ad spending 53%.

New products test marketed during the year included Bread & Butter Chunks, Half the Salt pickles, and new varieties of Win Schuler cheese products and La Especial Picante sauce.

Mrs. Paul's Kitchens Inc. subsidiary strengthened its position as the leading U.S. marketer of frozen seafood. It owns a 26% share of the frozen prepared seafood market.

In the past year, Mrs. Paul's introduced nationally Light and Natural fish fillets and placed into test a seven-item entree line under the same Light and Natural banner.

It contemplates more regional offerings of seafood products as well as a stronger presence in the frozen specialty vegetable category, which currently accounts for 12% of the volume.

Mrs. Paul's also has the retail marketing responsibility for another Campbell subsidiary, Snow King Frozen Foods, a regional producer of sandwich steaks acquired in 1982. The Mrs. Paul's line was backed by \$7 million in measured media spending last year.

The company's Fresh Produce division expanded its distribution of Campbell's farm fresh mushrooms into the Southeast with the opening of a mushroom-producing facility at Dublin, Ga.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$4,640,800	\$3,322,300
Magazines.....	12,412,800	7,182,300
Spot tv.....	21,510,400	17,436,800
Network tv.....	63,057,900	40,733,800
Spot radio.....	3,607,200	2,156,500
Network radio.....	7,429,300	9,738,700
Outdoor.....	71,100	42,700
Total measured.....	112,729,500	90,613,100
Unmeasured.....	15,270,500	23,186,900
Estimated total.....	128,000,000	103,800,000

Marketing Personnel

H.M. Baum, vp-mktg
Zoe Coulson, vp-consumer services
A.J. Adams, director-mktg rch
D.F. Macaulay, director-design

G.D. Mahrlig, director-media services
W.C. Culp II, director-special projects

U.S. MARKETING SOUP GROUP Marketing Personnel

H.M. Baum, group genl mgr
J.W. Dodd Jr., business director, condensed soups

D.E. Goerke, director-mktg, ready-to-serve soups

H.P. Pelouze III, director-mktg, special soup projects and Soup-for-One

D.E. Bair, P.W. Comisky, Larry Carpenter, Charles Battista, Robert Steenrod, mktg mgrs

Jill Skaler, Dawn Muller asst mktg mgrs

Advertising Agencies
Backer & Spielvogel, New York—red and white label condensed soups—Robert Holmen, exec vp-chief operating officer; Joseph Prior, senior vp-mgmt super; Allan Stone, vp-acct director; Charles Nemetz, acct super.

BBDO, New York—Chunky soup, Home Cookin—Richard Swanson, mgmt super; Robert McGreevy, acct super.

Conill Advertising, New York—(Hispanic adv)—Rafael Conill, president; Alicia Conill, exec vp.

GROCERY

Marketing Personnel

Jack Horn, genl mgr
P.P. Masarochio, mktg director

Kathleen MacDonnell, Arthur Ferrara, John Haring, mktg mgrs

Terry Cruikshank, William McLaughlin, asst mktg mgrs

Advertising Agencies

Needham, Harper & Steers/USA, New York—Franco American pasta; Campbell's bean products, Swanson chunk chicken, Casa Bravo, Fresh Chef, new prods—Philip Wallace, senior vp-acct group director; Richard Murray, senior vp-mgmt rep; Leo Mamorsky, acct super.

Leber Katz Partners—Prego, Prego Plus, new prods—Jon Adams, exec vp; Maureen Sage, vp-acct super.

Conill Advertising, New York—(Hispanic adv)—Rafael Conill, president; Alicia Conill, exec vp.

BEVERAGES

Marketing Personnel

J.R. Emshoff, group genl mgr
M.B. Buchalski, business director-fruit juices

C.K. Price, mktg director-red juices

P.F. Goodman, J.P. Grady, C.W. Crompton mktg mgrs

P.A. Giannone, program coordinator

J.M. Grady, exec vp-sales/mktg, juice bowl

Terry Simmers, president, juice bowl

Advertising Agencies

Backer & Spielvogel, New York—V-8

juice, new prods—Robert Holmen, exec vp-coo; Alice Bond, vp-mgmt super.

Leber Katz Partners—JuiceBowl, new prods—Laurel Cutler, exec vp; Carol Haas, vp-acct super; Roz Chernoff, acct super.

Conill Advertising, New York—(Hispanic adv)—Rafael Conill, president; Alicia Conill, exec vp.

FROZEN FOOD

Marketing Personnel

S.A. McNeil, group genl mgr
G.L. Hess, director-mktg

Tom Noto, mktg director

D.E. Lynn, C.A. Chang, mktg mgrs

Sharon Trainor-Smith, B.G. Krepliak, asst mktg mgrs

A.D. VanBeuren, Gillian Smith, asst mktg mgrs

Advertising Agencies

Ogilvy & Mather, New York—Swanson LeMenu, Plump & Juicy Chicken, Plump & Juicy Extra Chispy Chicken, Great Starts Breakfast (entrees and sandwiches), new prods—Graham Phillips, exec vp-super; Cliff Andrews, senior vp-acct group director; Stephanie Becker, Fred Lamparter, vps-mgmt super; Sally Luce, Phil Juliano, acct super.

Ogilvy & Mather, San Francisco—Swanson Hungry-Man, basic dinners—Geoff Meredith, senior vp, mgmt super; Patricia Hader, vpl-acct super; Margaret Lane, acct exec.

FRESH FOODS

Marketing Personnel

Daniel Santangelo, genl mgr-refrigerated

FOODSERVICE

Marketing Personnel

A.N. Calabrese, genl mgr
G.W. Thompson, director-mktg

Advertising Agencies

Lewis & Gilman, Philadelphia—R.G. Wilder, president; T.P. Ferguson, vp-acct super.

Conill Advertising Associates, New York—(Spanish-speaking market)—Rafael Conill, president, Alicia Conill, exec vp.

PET FOODS

Marketing Personnel

R.W. Inpyn, genl mgr
S.M. Regan, mktg director

Janet Dagrossa, mktg mgr

Advertising Agencies

CSC Advertising (inhouse)—P.N. Mulcahy, managing director.

RESTAURANT DIVISION

Marketing Personnel

Jack George, president

Advertising Agencies

Reichenstein Co., Ranocus, N.J.—Jonathan Grief, acct super.

PEPPERIDGE FARM

Marketing Personnel

R.A. Shea, president

E.W. Sweeney, vp-bakery

B. Falck, vp-mktg and genl mgr, frozen

R.S. Wilson, genl mgr, biscuit

R.L. Schmalz, president-genl mgr, mail-



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The top 25 magazine advertisers					
Rank	Advertiser	Expenditures (\$'000)			
		1983	1982	1983 as % of total advertising exp.	1982 as % of total advertising exp.
1	R.J. Reynolds Industries*	\$155,062.8	\$111,102.6	26.1	21.0
2	Philip Morris Inc.*	140,366.6	130,094.3	26.6	25.9
3	General Motors Corp.*	89,020.0	86,079.7	15.0	15.7
4	Ford Motor Co.*	80,346.3	58,735.2	16.8	18.7
5	American Telephone & Telegraph Co.*	61,306.0	40,858.3	13.2	10.9
6	Jos. E. Seagram & Sons*	45,643.3	62,024.0	38.2	40.5
7	Loews Corp.*	45,249.9	28,955.4	33.5	28.0
8	Chrysler Corp.*	44,845.2	25,582.2	19.5	14.8
9	Batus Inc.*	44,290.3	73,461.5	30.3	31.3
10	Beatrice Cos.*	43,829.9	N/A	7.3	N/A
11	Procter & Gamble Co.*	40,184.9	29,969.4	5.2	4.1
12	U.S. Government*	40,151.8	25,631.1	17.5	12.5
13	Volkswagen of America*	37,902.2	28,599.5	33.7	29.2
14	American Brands*	35,477.9	32,279.5	46.9	75.3
15	Time Inc.*	35,338.2	30,206.7	29.5	23.2
16	RCA Corp.*	35,301.5	23,362.1	16.6	14.6
17	Sears, Roebuck & Co.*	33,629.9	51,179.4	4.6	8.1
18	General Foods Corp.*	33,373.2	29,746.5	8.6	6.9
19	Dart & Kraft*	33,219.4	26,110.3	15.8	13.1
20	CBS Inc.*	30,737.1	28,248.0	18.3	17.8
21	Bristol-Myers Co.*	28,472.2	25,244.0	12.1	12.3
22	International Business Machine Corp.*	27,172.0	16,404.5	22.8	22.1
23	GrandMet U.S.A.*	26,179.5	25,205.7	47.1	46.7
24	Du Pont*	26,147.1	21,578.9	25.5	23.2
25	Warner Communications*	25,608.7	24,929.6	10.2	10.7

Source: Leading National Advertisers, farm publications not included.

*Indicates a 100 Leading National Advertiser

order div
C.M. Reagle, C.W. Rydin, mktg directors
C.A. Platt, mktg director
J.E. Tierney, vp-corp relations
B.A. Hasting, director-mktg rch
Advertising Agency
Ogilvy & Mather, New York—Graham Phillips, exec vp-genl mgr; Mary Ellen Kise-lack, vp-acct super.

VLASIC
Marketing Personnel
J.R. Scales, president
T.L. Bitterman, vp-sales
J.M. Dorsch, vp-mktg
Advertising Agency
W.B. Doner & Co., Southfield, Mich.—William Case, senior vp; Richard Friday, vp; Trish Doyle, acct exec.

MRS. PAUL'S KITCHENS
Marketing Personnel
R.J. Baker, president
G.W. Pizsek, senior vp-sales and mktg
L.M. Martineau, vp-consumer services and quality assurance
D.E. Herr, senior director-mktg

Advertising Agency
Scali, McCabe, Sloves, New York—Philip Cohen, mgmt super; J.E. Wright, acct super.
SNOW KING FROZEN FOODS
Marketing Personnel

Tom Naegele, ceo
Robert A. Spatola, vp-sales and mktg
Mary Beth Riemondy, director-mktg
Marianne Huffman, natl sales coordinator
Advertising Agency
Adventure Communications, Valley Forge, Pa.—Frank Kaplan, acct exec.

Canon U.S.A.

	1983	1982
Sales*	\$966,448,000	\$834,293,000
Earnings*	N/A	N/A
U.S. Advertising	\$8,032,900	\$7,045,800

*In North America

Canon U.S.A., Lake Success, N.Y., a division of the Tokyo-based company, ranked 95th among the nation's advertisers with total estimated ad expenditures of \$58 million in 1983, up 24% from 1982.

The company, taking aim at an ever larger share of the U.S. photography market and branching into new lines of business, boosted North American sales 16%, to \$966 million in 1983. Worldwide sales of \$2.8 billion represented a 13% increase from 1982. Within the worldwide total, the 20% increase in sales for copiers and 44% for other business machines underline their growing importance to the company.

Sales of photo products decreased 2% in 1983. But the company continues on its drive to dominate both the amateur and professional camera market. Taking all its cameras into account, the company claims to hold a 50% share of the lens shutter market. Canon has concentrated its efforts in the compact camera area, a faster growing segment than that of single lens reflex (SLR) cameras.

Sales of compact cameras grew 15% last year. Much of that growth was attributable to the introduction in 1982 of the Snappy instamatic camera. Last year, the Snappy sold 850,000 units worldwide, nipping on the heels of Kodak's popular disk camera. This year, as an Olympic tie-in, the company introduced a Canon Snappy '84, in red, white and blue colors with symbols of the 1984 Olympic Games. Canon is expected to spend \$40 million in advertising the Snappy from its launch last year through 1985.

To further attract proponents of the point-and-shoot market, which the company has pinpointed as women, teen agers and beginners, Canon this spring introduced the Canon MC. Terming it the "smallest 35mm around," the MC boasts automatic everything, including focus, film rewind and flash, which can be removed. The MC, which is smaller than the popular Sure Shot, can be carried in consumers' shirt pockets. The suggested price of the MC is \$295.

In a move to bridge the gap between the healthy compact market and drooping SLR sales, Canon introduced the first in a line of "T" series cameras early in 1983. The T50 has programed shooting and an automatic winder. It can be purchased with a lightweight 35-70mm zoom lens as standard equipment.

The Canon T70 was introduced at the same time as the MC this spring. A miniature screen on the top of the

camera is able to process 250 pieces of information. The camera has six automatic exposure modes and a safety shift to prevent over or underexposure, plus automatic loading, film advance and power rewind. Suggested list for the T70 is \$470.

Sources estimate that Canon will spend up to \$20 million advertising the introductions of both the T70 and the MC. Print ads for the MC stress its convenience, while the T70 is heralded as the most advanced Canon automatic SLR.

As the official 35mm camera of the 1984 Olympic Games, Canon was expected to spend \$15 million in advertising during the games. That blitz is expected to help boost sales in the U.S. by almost 15%, to more than \$1 billion. The company's tv spots used the tag line "Canon captures the glory again." Last year, \$15.2 million was spent on advertising for cameras, down 15% from 1982.

Capitalizing on consumer acceptance of its cameras, Canon is branching into the video product market. Sales of video cameras and recorders were healthy in 1983, as the company introduced its second-generation of equipment. In 1983, Canon spent \$1.9 million to advertise its ACC-Vision portable videocassette recorder, up from \$438,000 in 1982.

In 1983, Canon formed Business Machines Operations to handle copiers, electronic typewriters and other growing office and home equipment. Business machines accounted for 59% of total corporate revenues, making them Canon's largest product group.

The company now has a full line of copier products, from the PC (personal cartridge) copiers, which were introduced in 1982, to the world's fastest plain paper copier. The company introduced the NP-270, which copies in three colors, has automatic exposure control and reduction and enlargement. Canon expects interest in such features as color copying, zoom reduction and enlargement and high speed to keep the maturing copier market from becoming stagnant. Advertising for copiers jumped 61% in 1983, to \$24.6 million. Canon advertised its copiers during the Olympics using Jack Klugman as presenter and the tag line: "I love picking a winner."

Electronic typewriters became Canon's second-largest business machine category in 1983. The company moved beyond office models into the home market with its Typestar series. The Typestar 5 operates on heat-transference, can print character by character or line by line, fits into a briefcase and can be operated by batteries. The model retails for about \$250. Canon spent \$1.5 million to advertise this growing segment, up from \$604,000 in 1982.

In the development stage are Canon microcomputers, laser beam printers and printers. The company spent \$123 million on research and development in 1983, a 21% rise from 1982.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers	\$609,400	\$949,600
Magazines	16,310,200	11,683,400
Spot tv	7,439,500	6,103,600
Network tv	26,295,000	21,618,100
Spot radio	3,000	2,500
Network radio	1,507,000	2,104,400
Outdoor	409,500	301,400
Total measured	52,573,600	42,763,000
Unmeasured	5,459,300	4,282,800
Estimated total	58,032,900	47,045,800

Marketing Personnel

Cameras
E. Yoshinari, adv-sales promo mgr
T. Hirasawa, adv-sales promo mgr
Copiers
H. Hirai, adv-sales promo mgr
T. Kikuchi, adv-sales promo mgr
Calculators
H. Iwanami, adv-sales promo mgr
J. Sharp, mktg planning and admin mgr
Micrographics
M. Iwasaki, director-genl mgr
Optical products
T. Sakurai, director-industrial prods div

Advertising Agencies
DYR, New York—print/sales promos for cameras, calculators, copiers, medical prods, micrographics, facsimile machines, tv lenses—H. Koriyama, senior vp-creative; Frank Savarese, vp; Bill Barrett, vp-media director; Payton Pellegrini, Madeline Mazur-Waldner, asst acct execs.

Grey Advertising, New York—type-

writers, personal computers video equipment, tv ads for cameras—William Overend, exec vp-mgmt rep; Hank Greer, vp-senior mgmt super; Larry Geiger, Ray Halowski, George Miller, vps-mgmt supers.

Carnation Co.

	1983	1982
Sales*	\$3,365,275,000	\$3,382,212,000
Earnings*	194,759,000	183,353,000
U.S. Advertising	\$4,284,600	43,753,400

*Worldwide

Carnation Co., Los Angeles, the 99th largest national advertiser, increased its ad spending in 1983 by 24.1%, to an estimated \$54.3 million.

The increase returns the \$3.4 billion food products giant to the top 100 list for the first time since 1981.

Over-all, Carnation had positive results in 1983, with sales and earnings gains for its instant and tomato products. Pet foods performed well, but earnings declined, primarily because of heavy marketing expenditures for new

products.

Pet foods are among Carnation's leading advertised products. In 1983, Carnation spent 83% of its corporate media buy on pet food advertising. Of the \$30.4 million spent on pet foods, Leading National Advertisers shows Come 'N Get It dry dog food got \$3.1 million, Come 'N Get It puppy formula, \$1.9 million; Fancy Feast canned cat food, \$3.9 million; Chfs

Blend dry cat food, \$2 million; Friskies canned and dry cat food products, \$7.3 million, and Mighty Dog canned dog food, \$3.9 million.

Particularly costly was its introduction of New Breed, a soft-dry dog food that failed in the marketplace, despite a hefty initial commitment (in the early phases, the company promised the trade New Breed would receive \$35 million in annual advertising and

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See page 52

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Diario Las Américas

The Spanish-language Daily Newspaper
Founded July 4, 1953

Diario Las Américas
2900 N.W. 39th Street
Miami, Florida 33142-5193
(305) 633-3341

Represented nationally by: Cressmer, Woodward, O'Mara & Ormbee, Inc. (CWO&O)

promotional support). The sum, heavy by industry standards, was particularly heavy for Carnation, which is noted for a cautious and conservative style. The media buy for New Breed was \$7.6 million, according to LNA.

While Carnation is noted for its love of the status quo—a tone set by its 77-year-old accountant chairman H.E. Orvices—lately it has taken steps that may indicate the company is moving in a more progressive direction.

In the fall of 1983, Carnation opened the first of its Carnation Health & Nutrition Centers, retail outlets offering personalized weight loss services extending to nutritional and weight loss counseling, plus a separate retail outlet selling health foods, vitamins and low-calorie foods. It was the company's first new food division in 15 years. Carnation's aim is to capitalize on the public's growing concern with health and nutrition; industry analysts estimate that retail sales of dietetic, low-calorie foods in supermarkets will grow about 15% annually during the decade.

Initially, Carnation's plans for the centers were extremely ambitious. The division's general manager, Kenneth Chane, a retailing industry veteran, predicted it would open between 75 and 100 locations within the next year. Other sources said Carnation was considering opening as many as 300 outlets coast to coast in the next few years.

But so far, the centers haven't lived up to expectations. As of August, 1984, the chain has only 54 locations in four western states. And the company is deemphasizing the retail aspects of the operation, instead choosing to concentrate its efforts on the weight-loss business. While the centers may not be living up to expectations, Carnation is continuing to test new products related to the health and fitness boom—with varying results.

In 1982, it put a four-item line of refrigerated, bottled yogurt-based salad

dressings in test market. The line later was pulled, apparently failing to reach respectable sales results.

In October, 1983, Carnation was among the major competitors in the \$180 million hot cocoa mix category to come out with a low-calorie hot cocoa mix sweetened with the sugar substitute aspartame. Carnation is the market leader in the category. It spent less than \$1 million in measured media on its hot cocoa mixes.

Carnation's instant products division came out with a new Do-It-Yourself Diet Plan, a diet meal it describes as an "easy and sensible way to lose weight fast" in supporting tv, radio, newspaper and magazine ads. The product's target: 70% of all dieters who want to lose 10 to 20 lbs. Carnation estimates there are 28 million of the 40 million dieting public in the U.S. that will fit the bill.

Earlier in 1984, the company introduced a four-item Carnation Fruit & Nut Mix line on the West Coast with multi-media ad support.

In the pet foods business, in which Carnation competes in all the major segments, the company enjoys the strongest position in dry cat food and gourmet canned products. Over all, in 1982 its market share increased to 10.9% from the previous year's levels of 10.1%. It held the second position nationally, behind market leader Ralston Purina. Other major competitors behind Carnation (in order of market position) are: General Foods, Quaker Oats and the Liggett Group.

In November, 1983, Carnation international division president Timm Crull became president of Carnation Co., succeeding Dwight Stuart, a member of Carnation's founding family. Mr. Crull joined Carnation's sales department in 1955, rising to senior vp before leaving in 1977 to join Norton Simon Inc. as president. Mr. Crull rejoined Carnation in 1980 as exec vp and director. A year later, he became president of the company's interna-

tional division.

Carnation watchers believe the outgoing and marketing-wise Mr. Crull may influence the company's character for the better. Analysts speculate that he may speed Carnation's growth by acquisition and will help move the company into growth-inclined product areas.

Mr. Crull's influence is said to have figured into the company's decision in the first quarter of 1984 to shift between 20% and 25% of its estimated \$50 million to \$60 million ad budget to Foote, Cone & Belding—the company's first major commitment to a second agency in almost 70 years.

The switch marked the first time Carnation products have gone outside the Interpublic Group of Cos., and fueled speculation that principal agency SSC&B may be losing its hold on the Carnation business. FCB received products from three separate Carnation divisions: Bon Bons, an ice cream specialty product from its dairy division (now being tested in retail markets); the Do-It-Yourself Diet Plan, and Fancy Feast, its premium canned cat food from its pet foods division.

Rumors that Carnation may be taken over by a major company (Nestle is one rumored buyer) or taken private by a leveraged buyout continue to circulate—a fact that has sent Carnation's stock to near its all-time high.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$3,191,400	\$3,631,600
Magazines.....	5,194,600	2,867,600
Farm publications.....	265,900	—
Spot tv.....	6,402,800	8,991,900
Network tv.....	23,991,700	15,746,800
Spot radio.....	53,400	349,100
Outdoor.....	238,200	98,600
Total measured.....	39,338,000	31,685,400
Unmeasured.....	14,946,600	12,068,000
Estimated total.....	54,284,600	43,753,400

CARNATION CO.

Marketing Personnel

R.B. Funkhouser, vp-adv and pr
A.W. Fox, mgr-corp media
L. Dickinson, adv controller
R.E. Mott, promo materials mgr
J.R. Richards, associate prod mgr
P. Amstutz, associate prod mgr
J. Davidson, Q. Trujillo, art directors, promo materials

Grocery Products Division

Pet Foods
Dwight Stuart, Jr., vp-div mgr
L. Mark Reiser, asst mgr-finance
Miguel Osborne, group prod mgr-canned foods
H.R. Chamberlin, mgr-new prod
John Harris, group prod mgr-dry food

Instant/Evaporated Milk
John Darcy, div mgr
Greg Mazares, group prod mgr
Dave Hull, group prod mgr

Contadina
Dick Sieminski, vp-div mgr
Gene Boykins, group prod mgr

Food Service
Jim Dintaman, vp-div mgr
Carl Dienst, director
Bob Miller, associate director

Industrial Vending
Wallace Houde, div mgr
Duncan Shaw, prod mgr

Specialty Foods
Glynn Morris, div mgr
Lew Paine, group prod mgr

Market Research Division
Doss Struse, director

Advertising Agencies
SSC&B, New York—dog and cat food, Coffee Mate, Instant Breakfast and Breakfast Bars, Slender Diet Line, hot cocoa mix, Contadina—all products.

Dailey & Associates, Los Angeles—Health & Nutrition Centers, promo adv, Evaporated Milk—Bob Brownson, acct super.

Foote, Cone & Belding, Los Angeles—Fancy Feast canned cat food, Do-It-Yourself Diet, Bon Bons—Bill Callejas, senior acct exec.

Lew Lesser & Associates—Milling Division.

The Merchandising Factory, San Francisco—Foodservice—John Weatherwax, acct super.

Baker Lovick Ltd., Toronto—Canadian advertising—Terry Greenwood, acct super.

CBS Inc.

	1983	1982
Sales*	\$4,540,184,000	\$4,122,782,000
Earnings*	187,190,000	110,331,000
U.S. Advertising	167,711,000	158,997,000

*Worldwide

CBS Inc., New York, the country's 39th largest advertiser, raised its ad-

vertising expenditures 5.5% in 1983, to an estimated \$167.7 million.

Measured media spending figures reported by CBS rose in eight categories: Magazines, 13.9%; business publications, 30.1%; spot tv, 17.1%; network tv, 4.9%; point of purchase, 0.9%; direct mail, 18.3%; outdoor/transit, 28.2%; and broadcast and print production, 20%.

Advertising declined substantially in newspapers—down 20.9%—as well as spot radio, which dropped 3.8%, and network radio, down 4.2%.

Among leading advertised products and service, CBS spent \$15.2 million in measured media advertising on CBS Television Network, up 1%; \$22.5 million on Columbia Record and Tape Club, up 9.2%, and \$9.4 million on Ideal toy products, down 7.9%, according to Leading National Advertisers, which monitors six advertising media.

In 1983, CBS world revenues rose 10%, to \$4.54 billion, and net income rose 69%, to \$187.2 million, reflecting an outstanding year in both the broadcast group and records group. Domestic revenues increased 13%, to \$3.9 billion, on earnings of \$340.8 million, up 39%.

In the first quarter of 1984, the strong gains continued. Earnings increased 119%, to \$38.9 million, partly because of a poor 1983 first quarter and partly because of record profits in the broadcast and record groups. The company notes that an extensive companywide cost management system also was instrumental in its strong first-quarter showing. Revenues in the first three months of 1984 increased for every group except publishing.

In 1983, the broadcast group's revenues increased 10.2%, to \$2.4 billion. Operating profits increased 7%, to \$291.5 million. The profit gains in the group were seen to be a result of continuing dominant positions in tv and radio and careful attention to costs. Helping all this was a strong market for network advertising.

The CBS Television Network maintained its prime-time leadership for the fourth straight year and showed significant increases in its audience levels for daytime and news programming. However, the broadcast group decided to pull back from its announced direct broadcast satellite joint venture with Communications Satellite Corp., a pullback from its attempts to pursue new technological directions.

In sports programming, the division extended its long-term agreement with the National Collegiate Athletic Assn. through 1987 to broadcast the NCAA basketball championship tournament and renewed its agreement to broadcast segments of the Professional Golfers' Assn. tour. CBS attracted its second highest audience ever for its National Football League broadcast season, culminating with the broadcast of the Super Bowl in January, 1984.

"The CBS Evening News with Dan Rather" led its competition for all 52 weeks in 1983 and continued as the top-rated early news program. "The CBS Morning News" continued to trail both ABC and NBC. However, it registered a 21% ratings gain, while the other two experienced declines.

Significantly, each of the five CBS-owned tv stations achieved record revenues and profits in 1983. They also showed impressive audience gains in key time periods.

Amid all this, the specter of the \$120 million libel suit by Gen. William Westmoreland hangs over CBS. The suit springs from a CBS documentary on Vietnam that alleges that Westmoreland manipulated war information. At the same time, CBS itself engaged in a counterattack against the book "A Matter of Honor," by Don Kowet, charging that the book was "reckless and malicious."

The CBS Radio Division's profits rebounded sharply in 1983. It dominated the top 20 network sponsored programs for the 19th consecutive rating period, and again its programs were heard by more listeners each week than any other radio network. The year also marked the successful conversion of delivery systems for radio—from landlines to satellite.

The CBS theatrical films division

plans to produce a number of feature films slated for release in 1984. These include "Finders Keepers," a comedy adventure starring Michael O'Keefe, Lou Gossett Jr. and Beverly D'Angelo; "Grandview, U.S.A." with Jamie Lee Curtis, C. Robert Howell and Patrick Swayze; "Windy City," starring John Shea, Kate Capshaw and Josh Mostel, and "American Dreamer" with JoBeth Williams, Tom Conti and Giancarlo Giannini.

Revenues for CBS/Records Group increased 8.5%, to \$1.16 billion, while operating profits rose a record 393%, to \$109.4 million. Most of the remarkable showing was due to the phenomenal success of the Michael Jackson "Thriller" album, which has sold more than 32 million copies through the summer of 1984. However, the group also featured such artists as Billy Joel, Culture Club, Cyndy Lauper and Wynton Marsalis, the first artist to win the Grammy award in both jazz and classical categories. The gains for the records group came at a time when other electronic media, ranging from compact discs to videocassettes, have been scoring record gains as well.

The records group has ventured into compact discs and in 1983 began distribution of CDs. Under an agreement reached in 1983 between CBS and Sony Corp., CDs will be manufactured by Digital Audio Disc Corp., a U.S. subsidiary of CBS/Sony Inc. Production of discs will begin in 1984 in Terre Haute, Ind.

After a lean period, record new member enrollments and year-end membership in the Columbia Record and Tape Clubs gave Columbia House near-record operating profits.

In contrast, the CBS/Columbia Group posted an operating loss for 1983. The disappointing results, according to the company, were a result of a poor performance by CBS Toys' videogame software line of products. Significantly, the preschool toy market segment of the group saw substantial growth.

The CBS/Publishing Group achieved record profits on record revenues in 1983. The group's educational and professional publishing division posted a moderate increase in sales and continued to improve over 1982's record performance. CBS consumer publishing changed its name to CBS magazines division to identify more accurately with its core businesses. It also underwent a full-scale reorganization of its operations.

There were some spectacular performers among the magazines published by the division. *Woman's Day* experienced dramatic gains in revenues as well as in advertising market position. Similarly, *Audio*, *American Photographer*, *Camera Arts*, *Cuisine*, *Mechanix Illustrated* and *World Tennis* all posted substantial gains in revenues and advertising pages.

Road & Track continued to grab the largest share of advertising devoted to automotive magazines while *Field & Stream* set a record in its 87-year history for revenues and ad pages.

In February, CBS announced it would join hands with IBM and Sears, Roebuck & Co. to begin development of Trintex, a commercial videotex service directed at households with home and personal computers.

ADVERTISING EXPENDITURES*

	1983	1982
Newspapers.....	\$30,763,000	\$38,896,000
Magazines.....	25,067,000	22,008,000
Business pubs.....	5,636,000	4,331,000
Spot tv.....	24,123,000	20,605,000
Network tv.....	2,454,000	2,339,000
Spot radio.....	11,244,000	11,671,000
Network radio.....	1,890,000	1,982,000
Point of purchase.....	6,687,000	6,628,000
Direct mail.....	21,353,000	18,051,000
Outdoor/transit.....	3,260,000	2,543,000
Other.....	1,787,000	2,076,000
Bdcast/print prod.....	33,439,000	27,857,000
Total.....	167,711,000	158,997,000

*Reported by CBS

ADVERTISING EXPENDITURES†

	1983	1982
Newspapers.....	\$15,829,300	\$15,917,700
Magazines.....	30,737,100	28,248,000
Spot tv.....	12,761,300	15,818,500
Network tv.....	10,585,400	2,851,400
Spot radio.....	133,100	801,300
Network radio.....	133,200	484,800
Outdoor.....	934,800	775,000
Total measured.....	71,114,200	64,896,700
Unmeasured.....	96,596,800	94,100,300
Estimated total.....	167,711,000	158,997,000

†From AA's usual sources

People performs

"The playback we're getting from manufacturers is: 'People is extremely powerful.'"

— Sue Brady
Director of Marketing Communications
Celanese

CBS INC.
Marketing Personnel
 Louis Dorfman, vp-creative director, adv & design
 Warren Spellman, vp-media services
 James Shumaker, director-operations admin
 Maureen O'Donnell, director-media services
 Ted Andreasakes, senior art director
 Ira Teichber, director-design services
 Naomi Andrews, copy chief

Robert Bolton, Toby Muller, mgrs, adv operations
Advertising Agencies
 Deutsch, Shea & Evans, New York—CBS Recruitment Advertising—Kay Winterhalter.
 Doyle Dane Bernbach, New York—CBS Corporate Media Services—Lawrence J. Iannuzzelli, exec vp; Jack Cohen, vp-director of print/outdoor media buying; Anne Oliver, vp-acct super.
 Equity Advertising, New York—CBS Re-

cruitment Advertising—Julia Jacobs.
CBS/BROADCAST GROUP
 David F. Poltrack, vp-rsch
 George F. Scheitzer, vp-communications
CBS Broadcast International
 John M. Eger, vp-general mgr
 Joseph Bellon, vp-managing director for mktg & devel
 Joseph J. DiCerto, director-communications

CBS Black Hawk
Cable Communications
 Robert Herbst, vp
Extravision Service
 Albert H. Crane III, vp
CBS Television Network
 William G. Cecil, vp-sales planning
 Jerome H. Dominus, vp-sales
 Richard A.R. Pinkham Jr., vp-mktg services

CBS Entertainment
 Herman Aronson, vp-operations & creative services
 Ann Kalman, vp-media services (West Coast)
 John Kander, vp-on-air promotion
 Morton J. Pollack, vp-adv & promotion
 David November, director, creative services
 Jerry Taylor, asst director, admin (West Coast)

CBS Sports
 James M. McKenna, vp-general mgr
 Robert V. Tassie, vp-communications
 Keith Johnson, mgr-adv & media services
CBS News
 Robert Chandler, senior vp-admin
 Joseph R. Passarella, director-adv & on-air promo
 Ronald Beck, mgr-program services
CBS Television Stations
 Rod Perth, vp-genl mgr, natl sales
 Eglen Simon, vp-sales
 Carl Wenhold, vp-finance
 Michael Dainard, director-mktg
 Paula McCorkle, director-adv, WCBS-TV, New York

Yvonne Forston, director-communications, WCAU-TV, Philadelphia
 Michael G. Mischler, director-communications KCBS-TV, Los Angeles
 Lillie Eide, director-communications WBAM-TV, Chicago
 Scott Hunker, mgr, adv and promotion, KMOX-TV, St. Louis

CBS Radio
 Michael R. Ewing, vp-genl mgr, CBS radio network
 Robert Hyland III, vp-CBS owned fm stations

Eli W. Kaufman, vp-genl mgr, CBS-FM natl sales
 Edward Kiernan, vp-genl mgr, CBS radio spot sales
 Robert Kipperman, vp-genl mgr, RADIO—RADIO

Eugene Lothery, vp-CBS owned am stations
 Terry Drucker, director-rsch CBS radio spot sales

Norman S. Ginsburg, director-affiliate programs/promo
 Judith A. Harper, director-information services, CBS radio spot sales

Suzanne M. Sack-Dowden, director-sales promo, CBS radio network
 Kathleen T. Seipp, director-mktg, CBS owned fm stations

Lee Stacey, director-natl sales, RADIO—RADIO
 Stephen J. Youlios, director-natl sales, CBS radio network

Louise Hallahan, mgr, promo, CBS-FM natl sales
 Marguerite Hauck, mgr-rsch/mktg, CBS-FM natl sales

Ronald S. Weiner, NY sales mgr, CBS-FM natl sales
 Wini Mullen, director-information services, WCBS, New York

Betsy Bucken, director-adv & promo, WCBS-FM, New York
 Linda Dartnell, director-information services, WCAU, Philadelphia

Vincent Benedict Jr., vp-mgr WCAU-FM, Philadelphia
 Barbara DiGuido, mgr, information services, WBBM, Chicago

Brian Pusillano, vp-genl mgr, WBBM-FM, Chicago
 Aline Surmeyer, mgr, adv & promo, KMOX and KHTT, St. Louis

Fred Bergendorff, promo director KNX, Los Angeles
 Robert L. Nelson, vp-genl mgr, KKHR, Los Angeles

Deborah Reno, director-information services, KCBS, San Francisco
 George L. Sosson, vp-genl mgr, KRQR, San Francisco

Rick Peters, director-programing and promo WHTT, Boston
CBS Theatrical

Films
 Ian Jessel, vp-intl distribution & mktg
 Gary J. McCarthy, vp-finance & business affairs

Advertising Agencies
 Brand Advertising, Chicago—WBBM-FM-Pam Stahl, media director.

Cunningham & Walsh, Chicago—WBBM-TV—Brad Wyatt, senior vp.
 Della Femina, Travisano & Partners, New York—WCAU-TV and WCBS-TV—Bob Sherman, president; John Gorde, acct super.

CBS/COLUMBIA GROUP
CBS Musical Instruments
 Fender/Rogers/Rhodes/Squier

William Schultz, president
 Roger Balmer, vp-mktg and R&D
 James Cruickshank, adv mgr

Lyon & Healy
 M. Ross Brown, president
 Robert Storm, director-sales & mktg

Gemeinhardt
 Glenn E. Holtz, vp-genl mgr
 Steinway & Sons

Lloyd Meyer, president
 David W. Rubin, senior vp
 Robert F. Dove, vp-sales & mktg

Omer G. Inman, vp-director, Steinway Hall
Rodgers Organs
 Allen L. Harrah, vp-genl mgr

James A. Walls, director, sales & mktg
Gulbransen
 David W. Rubin, senior vp

Robert F. Dove, vp-sales & mktg
 Pat Searcy, mktg mgr
CBS Toys

Division Staff
 Richard Baumbusch, vp-mktg
 Judith Sussman, director-pr

Ideal Toys, Dolls, & Games
 Lonny Fryberger, vp-genl mgr
 Jim Camilleri, vp-sales

Duane D'Agostino, director-sales
 Pat Hanlon, director, mktg services
CBS Preschool

Waymon Wittman, vp
 Allan Blum, director-mktg
 Stan Pollack, director-sales

Advertising Agencies
 Beber, Silverstein & Partners, New York
 Steinway & Sons (retail advertising)—

Tad Dissler, acct exec.
 Lord, Geller, Federico, Einstein, New York—Steinway & Sons—Regis Albrecht, acct exec.

Phelps & Associates, Burbank, Cal.—CBS

KNOW THY COMPETITION

See page 137



ON FEBRUARY 23 AND 24, 1985.

BISCAYNE BOULEVARD WILL AGAIN BE TURNED INTO A RACE COURSE...

MOVE YOUR PRODUCT AT 160 M.P.H.!!!

Now is the time for your company to become involved in Miami Grand Prix III and RACE WEEK. Community support and 100,000 spectators can be yours when you become a part of this exciting event.

Whether your company is one of the corporate giants of America or a one-man operation, make this your Grand Prix.

A variety of packages are available to you in order to meet your corporate marketing and entertainment objectives as follows:

CORPORATE SPONSORSHIP. Your company can be one of the few that make the Grand Prix happen. By becoming a full sponsor, you become the Grand Prix of Miami. A corporate sponsorship package can be tailor made for your corporate objectives and marketing strategies.

OFFICIAL RACE PROGRAM. A slick four-color magazine will be a long time keepsake of our many fans. Your company should be able to take advantage of this long-term exposure of your product and/or message.

ON-TRACK SIGNAGE. As the public watches the cars whiz by, they will also see your advertising message if you select one or many of the four types of signage available on the track.

EXHIBITION AREA. This is the place for you to present and demonstrate your products to the racing public. We can accommodate your space and budget needs with four types of areas.

HOSPITALITY. Whether you invite your friends, key customers, clients or sales personnel, we have an entertainment facility that will meet your needs. Four types of hospitality areas are available to accommodate groups from 10 to 500 people.

INTERAMERICAN CHAMPIONSHIP RACE. One of the most unique races during the weekend! Your company can sponsor one of the most famous drivers in the Western Hemisphere. There will only be 15 available drivers to sponsor. Here's your chance to let your company ride with Sneva, Andretti, Ribbs, Foyt or Fittipaldi.

Be part of the excitement! More importantly, take advantage of the valuable marketing and sales opportunity available at the 1985 Grand Prix of Miami.

Last year, we sold out of our advertising and entertainment packages. If you want to be a part of the Grand Prix tradition, call us now.



For more information
 Call Bob Wild or
 Karen Meister Hodson
Miami Motorsports
(305) 595-RACE.

10300 Sunset Dr., Suite 150
 Miami, Florida 33173

NOTE: Certain restrictions will apply to signage and display area business.

TRADEMARK & COPYRIGHT SEARCHES

TRADEMARK—Supply word and/or design plus goods or services. FEES: TRADEMARK OFFICE Files—WORDMARK—\$50. 2 or more—\$45 each. COMMON LAW—\$25 additional. EXPANDED COMMON LAW—\$70 additional. DESIGN—\$60 per class, copies extra. COPYRIGHT—Supply title/author/Regs. FEE: \$80. 2 or more—\$75 each. GOVT LIAISON—All agencies—SEC (10K's), ICC, FTC, Court Records, Congress, Records, etc. Fees on request. APPROVED—Our services meet standards set for us by a D.C. Court of Appeals Committee.

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 Arlington, VA • Arlington, VA 22210
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Musical Instruments Division, Fender Guitars, Rhodes Electric Pianos, Rogers Drums, V.C. Squier Strings, Gemeinhardt Flutes & Piccolos—Joe Phelps, president.

Sive Advertising, Cincinnati—Ideal Toys, Dolls & Games and CBS Preschool—Dave Siegel, acct super; Marcia Cann, vp-media director.

Towne, Silverstein, Rotter, New York—Ideal Toys & Games—Amy Weltman, vp-acct super.

CBS/PUBLISHING GROUP
CBS Educational & Professional Publishing Division Staff
Linda Bayard, vp-sales & mktg
Debra Karpak, director-direct response mktg

General Book
Jane Pasanen, vp-mktg & subsidiary rights
Karen Mender, director-adv promo and publicity
Leslie Rowe, natl sales mgr

College
John W. Wood, vp-mktg & sales
Barbara Kimball, director-mktg
Fred Velardi, mgr-adv and prod information

School
Joseph M. Krassner, vp-mktg & sales
Sally Owen, adv mgr
Winston Press

Jan Johnson, mgr-direct mktg
Professional Publishing (W.B. Saunders)
William L. Gibson, vp-sales & mktg
Joan Spaulder, director-mktg
William Moritz, natl sales mgr, subscriptions
James Walker, media mgr

Praeger
Virginia McElroy, director-mktg
Bob Ryan, direct mail coordinator

International Publishing
Millard F. Engleka, vp-intl operations
Marsha Feltinghoff, director-intl operations

Transmedia
George Rohr, ceo
CBS MAGAZINES

Division Personnel
Michael J. O'Neill, senior vp-adv
Robert Alexander, president
Carl Kopf, vp-genl mgr
Robert F. Spillane, vp and director-circulation
Glenda Bradshaw, director-rsch, *Cuisine*, *American Photographer*, *Audio*
Robert Checkanover, creative director, comms
Phyllis G. Crawley, director, comms
Robert Fitzpatrick, director-rsch, *Mechanix Illustrated*, *World Tennis*, *Cycle World*, *Road & Track*

Theodore C. Giletti, director—CBS magazines rsch
Perry R. Grayson, director, rsch, *Woman's Day*
Roslyn Schachter, director-mkt rsch
Lester Abberbock, rsch mgr
Alvin I. Edwards, syndicated rsch mgr
Meryl Shinder, mkt rsch mgr, *Field & Stream*

Woman's Day
Thomas W. Kenney vp-group publisher
Gordon R. Burkhard, vp-special prods & publisher, special interest magazines
Robert Mate, vp-adv director
Bonnie Geller, adv mktg services director
James J. Hessel, adv director, special interest magazines

Monthly Magazines
Richard Bartkus, vp-publisher, *Road & Track*, *Cycle World*
Eugene Bay, vp-publisher, *Field & Stream*
Francis X. Dealy Jr, vp-publisher, *World Tennis*
H. Clifford Parris, vp-adv director, *Road & Track*
Anne Sutherland, vp-publisher, *Cuisine*
Peter Veronis, vp-CBS Magazine Network
Roman Beyer, publisher, *Audio*
Jim Hansen, publisher, *Cycle World*
John Miller, publisher, *American Photographer*

Marlene Jensen, publisher, *Mechanix Illustrated*
Patricia R. de C. Jellicoe, associate publisher, mktg, *American Photographer*
James S. Berrien, adv director, *Field & Stream*
Todd L. Boersma, adv director, *World Tennis*
John E. Brown, adv mktg director, *Mechanix Illustrated*

Peter F. Clancey, adv sales director, *Cuisine*
Jim Frahm, adv director, *Cycle World*
Arnold Gluskin, mktg director, *Road & Track*, *Cycle World*
Stephen L. Goldberg, adv director, *Audio*
Edward P. Keil, promo director, CBS Magazine Network
David Lott, mktg director, *World Tennis*
Susan T. McNamee, promo director, *Cuisine*
Jeffrey Roberts, adv director, *American Photographer*
Jack Counihan, promo director, *Field & Stream*
Richard L. Walter, mktg mgr, *Field & Stream*

Family Weekly
Morton Frank, chairman emeritus
Patrick M. Linskey, president-publisher
Joseph Frazer, vp-associate adv director (Chicago)

Stanley Rosenfeld, vp-mktg director
Jonathan A. Thompson, vp-genl mgr
James Walsh, vp-adv director
Gerald S. Wroe, vp-associate publisher
Patricia S. Kyle, promotion director
Popular Magazines
Carol Klapper, publisher
Michael McCarthy, newsstand mktg director

CBS Software
Henry A. Kaplan, exec vp
Arthur Barnett, vp-mktg services
Advertising Agencies
Atlantis, Hazlet, NJ—Holt, Rinehart & Winston—Bob Mallm, president.
Cunningham & Walsh, New York—CBS Software—Nat Allen, vp.

Doyle Dane Bernbach, New York—CEPP Div Marketing and Holt, Rinehart and Winston (College/Dryden Press/Sanders)—Lawrence J. Iannuzzelli, exec vp; Jack Cohen, vp-director of print/outdoor media buying; Anne Oliver, vp-acct super.
Jameson Advertising, New York—Holt, Rinehart & Winston (General Book)—Margi Berry, acct exec.
Levy, Flaxman & Associates, New York—*Mechanix Illustrated*—William Ryker, vp.

Lois, Pitts, Gershon, New York—*Cuisine* and the CBS Magazine Network—Jim Feigenbaum, acct super; Patrick Dolan, acct super.
March Advertising and Direct Marketing, New York—CBS Magazine Marketing—George Lynaugh, acct exec.

The Marketing Department, New York—Praeger—Richard Thorn.

Nadler & Larimer, New York—CBS Magazine Marketing, *Woman's Day* and *World Tennis*—Howard Berg, senior vp.

J.R. Navarro, Los Angeles—*Cycle World* and *Road & Track*—Mike Navarro, president.

Rumrill-Hoyt Inc., New York—*Family Weekly*, *Bernie Long*, acct super.

Warren/Kremer, New York—*Field & Stream*—Peter Warren.

CBS/Fox
David B. Brown, vp-mktg
Bob DeLellis, vp-sales
Len White, senior vp-sales/mktg
Bart Morrison, director-rsch & planning

Advertising Agency
Doyle Dane Bernbach, New York—CBS/Fox—Lawrence J. Iannuzzelli, exec vp; Jack Cohen, vp-director of print/outdoor media buying; Anne Oliver, vp-acct super; Bo Stern, acct super.

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Chesebrough-Pond's

	1983	1982
Sales*	\$1,685,417,000	\$1,623,190,000
Earnings*	127,878,000	125,365,000
U.S. Advertising	141,324,500	131,006,800

*Worldwide

Chesebrough-Pond's, Greenwich, Conn., which encountered a flat year in 1983, increased its advertising 7.8%, to \$141.3 million, to become the nation's 46th largest advertiser.

The increased investment in advertising and promotion amounted to 8% of sales in both 1983 and 1982. Such aggressive posturing is believed to be in response to the company's downward trend in sales and earnings growth.

Sales and earnings rose for the 28th consecutive year, but the increase was slight. Sales edged up 3.8% over 1982, to \$1.685 billion, and earnings showed a 2.1% rise, to \$127.9 million.

The company cited poor performance in the Bass division, a hefty increase in marketing investment and weakened foreign currencies against the U.S. dollar in explaining 1983's slow growth.

C-P, whose long-term strategy is to maintain strong advertising and marketing activities, spent \$73.7 million on advertising and promotion in the first quarter of the 1984 fiscal year, \$11.7 million over the corresponding period the year earlier.

C-P's packaged foods division chalked up \$330.9 million in sales in 1983, up 4.3% from 1982, but not as spectacular as the 19.3% rise of 1982. Over-all, marketing expenditures for packaged foods rose 11% in 1983.

Measured spending for Ragu sauces amounted to about \$19 million in 1983, up from \$16 million in the previous year. In September, the division launched a new spaghetti sauce, Ragu Chunky Garden Style, planning to back it with a \$22 million ad campaign. The company anticipates \$100 million in sales for Chunky Garden Style during its first year.

It appears to have replaced the Clas-

sic Combinations line, which no longer appears on the roster of Ragu sauces. All the Ragu sauces together account for more than 50% of the prepared sauces market. Campbell's Prego, the nearest competitor, has a 20% to 22% share, according to analysts tracking the company.

The division also introduced Ragu Pizza Quick Kit in 1983, but so far, sales are not reported to be impressive. The sauce and crust mix/sauce was backed with tv network and spot tv budgets of \$2.7 million and \$2.9 million, respectively.

C-P's strategy has been to go after small markets aggressively, especially in ethnic and specialty foods.

The health and beauty products division gained 6.1% in sales in 1983 after recording only a meager 0.7% rise from 1981 to 1982. The increase came mainly from improved performances by Vaseline petroleum jelly, Vaseline Intensive Care lotions, Q-tip cotton swabs and Cutex nail products.

The division spent 17% more on marketing in 1983 than in 1982. Once again, the Vaseline Intensive Care lotion took the lion's share of advertising dollars, with \$9 million in measured media. About \$8.1 million of that was spent on network tv.

In 1983, two new products were added to the hand and body lotion category, Herbal & Aloe Vaseline Intensive Care lotion and Pond's Cream & Collagen lotion.

Advertising for VIC lotion (\$9 million measured in 1983), the No. 1 selling brand with about 25% in market share, was challenged earlier this year when Procter & Gamble filed suit, asking for an injunction to stop C-P's ads, which it claimed were false and deceptive. C-P responded with a countersuit, filed the same day, Jan. 5.

The judge issued a ruling that the issue was not within his province, refusing to decide the case. C-P has filed an appeal and still is running the campaign in question.

This year, the division introduced Rave spot perm, designed to fill the niche between complete permanent treatments and spot styling treatments that don't last.

For the Prince Matchabelli division, 1983 marked a turnaround. Sales rose 7.9%, to \$118.2 million, but still fell below 1981's \$130 million.

Fragrances, which account for half of the division's sales, added three new products in 1983: Cachet Noir and Aviance Night Musk introduced in the first and second quarters, respectively, and Beret, announced late in 1983 and brought to market early this year. Company officials report that the three are selling well, particularly Aviance Night Musk.

C-P plans to further buff its image in the fragrance market with the introduction of a limited distribution prestige fragrance, probably sometime in 1985.

Measured spending came to about \$10 million, up from last year's \$7.5 million. The payoff is apparent in 1984's first-quarter report, which shows sales rose 21%, to \$23 million, up from \$19.7 million in the similar period last year.

Bass division scored a marginal 2.5% increase in sales, mainly because of the acquisition of the Shoe Box chain of shoe stores in Dallas and the sales of men's and children's footwear. Poor performance in women's footwear was cited as the main cause of disappointing results.

Measured spending for the division totaled \$1.5 million, down slightly from 1982's \$1.8 million.

To shore up performance in the division, C-P is concentrating on expanding its retail interests and reducing manufacturing costs by going overseas for products. Acquisition of the Shoe Box chain came in late 1983, and C-P now operates six G.H. Bass stores, which are full-line, full-price Bass outlets. C-P plans to open as many as 20 in 1984. Bass also operates several fac-

tory outlet stores. The move into retail is expected to give the company more control, help smooth sales patterns and bring a better return on investment.

Health-tek, which accounts for 18% of company sales, again ranked as one of the company's most successful divisions. It gained a 7% increase in sales, especially strong in the larger sizes of children's clothing. In 1983, the division tested a new line of sleepwear, which is rolling out nationally this year. The division also is introducing Sound Waves, a new line of children's clothing this year. The line is priced above the Health-tek line.

The Prince division, manufacturer of tennis rackets, gained 12.8% in 1983 sales over 1982, but this was down considerably from the dramatic increases during the previous seven years. The average annual growth rate over the past 10 years has been 65%. Nevertheless, in the face of increased competition, the division continues to increase its share of the market. Prince introduced three new rackets, including a \$500 model.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$2,176,700	\$2,374,700
Magazines.....	16,686,700	16,850,300
Spot tv.....	10,647,400	5,105,500
Network tv.....	42,994,800	46,051,100
Spot radio.....	324,500	448,500
Outdoor.....	80,500	4,500
Total measured.....	72,904,600	70,834,600
Unmeasured.....	68,419,900	66,172,200
Estimated total.....	141,324,500	131,006,800

Marketing Personnel

Robert A. Breakstone, group vp
Charles J. Chapman, group vp
K.R. Lightcap, vp-investor relations & public affairs
J.A. Russo, creative services director
R.S. Ziemba, director-corp communications
J.E. Campion, media director.

HEALTH & BEAUTY PRODUCTS DIVISION

Marketing Personnel

Robert Rosenthal, president
William Barker, vp-mktg
Advertising Agencies
William Esty Co., New York—Vaseline brand products, Pond's products—Dean Van Nest, senior vp-mgmt super; Peyton Sise, Liz Kimball, acct super.
Ogilvy & Mather, New York—Q-tips, Rave, new products in health & beauty aids—David Weiss, exec vp-group director; Jean Fitzgerald, mgmt super; Catherine Buckley, acct super.
Waring & LaRosa, New York—Cutex—Larry Weisberg, acct director; Gloria Appel, acct super.

PRINCE MATCHABELLI DIVISION

Marketing Personnel

Edward I. Rabin, president
Michael Horowitz, vp-mktg, fragrances
Terry Augenbraun, vp-mktg, shaded cosmetics

Advertising Agencies

William Esty Co., New York—Aviance, Wind Song, Cachet, Chimere, Matchabelli for Men—Liz Kimball, acct super; Dean Van Nest, senior vp-group director.
Waring & LaRosa, New York—Ariza—Gloria Appel, acct super.

HOSPITAL PRODUCTS DIVISION

Marketing Personnel

Robert E. Karlson, president
Advertising Agency
Klemmer Advertising, New York—Lee Rosenberg, acct super.

ERNO LASZLO INSTITUTE

Marketing Personnel

C. Crawford Mills Jr., vp-genl mgr
Advertising Agency
Waring & LaRosa, New York—Gloria Appel, acct super.

PACKAGED FOODS DIVISION

Marketing Personnel

Charles R. Perrin, president
Michael Jeans, vp-mktg
Advertising Agency
Waring & LaRosa, New York—Ragu, Adolph's—John McCrosky, senior vp-

mgmt super; Irwin Levy, senior vp-acct super; Clark Oliver, acct super.

HEALTH-TEK DIVISION

Marketing Personnel

H.S. Miller, president
Advertising Agency
AC&R, New York—Alvin Chereskin, president-mgmt super; Joyce Kayhar, vp-acct super; Helen Hedges, acct exec.

G.H. BASS DIVISION

Marketing Personnel

Richard Bourret, president
Cheryl Anderson, mktg director
Advertising Agency
Geers Gross, New York—Chris Hansen, mgmt super.

PRINCE DIVISION

Marketing Personnel

Michael Borkowski, president
Ed Volkwein, vp-mktg
Advertising Agency
Waring & LaRosa, New York—Louise Erdman, acct super.

Chrysler Corp.

	1983	1982
Sales*	\$13,240,400,000	\$10,044,900,000
Earnings*	700,900,000	170,100,000
U.S. Advertising	238,020,100	**214,000,000

*Worldwide **Revised

Chrysler Corp., Highland Park, Mich., the 27th largest national advertiser, increased its ad spending 7.5%, to \$230 million, in 1983 on higher sales and record profits.

Chrysler financial returns came on unit sales 37% below the record year of 1976. The company also paid all \$1.2 billion in federally backed loans, \$100 million in loans from Peugeot and \$48 million in loans from states.

The loans were caused by massive losses from 1979 to 1981 with a deficit of \$1.7 billion in 1980 as the low point in the company's fortunes. The 1983 figures mean "our turnaround is now complete," said chairman Lee Iacocca, architect of the revival.

Chrysler earned \$700.9 million in 1983, up from \$170.1 million in 1982, as sales increased to \$13.2 billion, up from \$10.1 billion. U.S. car unit sales increased to 969,000 from 737,000, and truck sales rose to 294,000, from 232,000. Its market share for all vehicles sold in the U.S. rose to 10.3%, from 9.9% the year before. Dollar sales in the U.S. market of \$11.6 billion represented 88% of worldwide sales. U.S. dollar sales were up 37% from the previous year.

Ad spending was spurred by the fall introduction of the sporty coupes, Dodge Daytona (\$6.8 million in measured media, according to Leading National Advertisers), Chrysler Laser (\$9.6 million), and the larger K-car, the Dodge 600 (\$7.5 million).

Chrysler-Plymouth and Dodge divisions almost split the vehicle ad budget with the rest of the ad budget going to corporate and imports.

Magazine advertising increased to \$44.8 million, from \$25.5 million. For part of 1983, Dodge exchanged rate, position and circulation guarantees for guaranteed buys. Dodge also used merchandising allowances from the magazines for a special trade campaign.

The campaign was aimed at telling dealers which magazines were getting advertising. No magazines were cut from the list if they didn't measure up, but most complied, Dodge said.

New products helped key Chrysler's 1983 improvement as the corporation pledged \$8 billion for new products over a five-year span. That includes \$650 million for the H cars due in the winter of 1984-85. The sporty four-door

hatchback sedans are aimed at younger drivers.

The only financial cloud was the loss of \$34.2 million by Chrysler de Mexico. The loss was down from a deficit of \$69.3 million in 1982. Operations in Canada saw Chrysler ranked second in sales among car makers.

Chrysler also sued to stop the proposed General Motors-Toyota joint venture in California. It signed an extended contract with Mitsubishi Motors of Japan to sell Mitsubishi-made small cars in the U.S. through 1995. Chrysler and Mitsubishi also jointly will develop a new V-6 engine.

Chrysler U.S. retail car sales, including imports, approached 969,000 units for 1983, a 10.3% share of the industry's 9.1 million total retail sales. In 1982, Chrysler reached only a 10% market share, selling about 794,000 units. Chrysler van and truck sales rose to 294,000, although the corresponding market share dropped to 8.7% from 9.5% in 1982 when unit sales were 246,000.

Total Plymouth unit sales rose 5.6%, Chrysler, 47.9%, and Dodge, 20.3%.

Among new products especially successful were those with K-car bodies. Total U.S. Plymouth Reliant sales increased to 119,400, up 5.6%. These, along with other K-car derivatives, including the Chrysler LeBaron K and the 1982-introduced Chrysler E-Class and Dodge 600, were the backbone of Chrysler sales. The E-Class sold 35,283, up from 9,122 units in the introductory fall of 1982. The new Dodge 600 sold 33,882 cars, up from 5,624 in its introductory period of 1982.

The 1983 New Yorker E sales rose to 50,091, from 119 during its fall 1982 debut. Chrysler subcompacts, the L-bodies, did well with an average increase of 12.6%. Dodge Omni unit sales of 50,451 were up 26.1%, while the Plymouth Horizon increased 21%, to 56,763 in 1983.

Other successes included the September 1983, introductions of the new 1984 sport coupes, the Chrysler Laser and Dodge Daytona. In 1983, the Laser sold 11,097 units; its Dodge companion, 8,761 units.

Sales were good for the 1984 T-wagons, introduced in the fall of 1983. Plymouth Voyager sales hit 3,914 units and Dodge Caravan, 4,260. During 1984, the minivans were so successful that Chrysler sold out the vehicles by spring. Chrysler was unable to fill a number of backlog orders because it couldn't make the vehicles quickly enough.

Chrysler launched into another flood of rebates in 1983, along with interest-rate ceilings and other promotions. The rebate ad theme, "Buy a car, get a check" reappeared on the scene, with the "If you can find a better car, buy it" theme line.

The company extended its 11.9% interest rate/rebate program through April 10, from March 31. Another program in May offered a 9.8% interest rate or up to \$400 rebate on cars/\$750 on trucks. This was followed by a cut-rate June offer of 8.7%, or a \$300 rebate on K-cars, \$400 on small cars, or \$500 to \$700 on trucks.

On the heels of rebate programs was a Chrysler "car payment guarantee program" for buyers of 1982-83 U.S. or Canadian-built Plymouth/Dodge cars or trucks. The program insured that Chrysler would take over car payments of up to \$300 a month for one year, or \$3,600 maximum if after 30 days following delivery, the buyer lost his job.

In February, Chrysler chairman Lee Iacocca began breaking in a tag line on corporate tv spots. The pitch for the five-year, 50,000-mile warranty featured Mr. Iacocca saying, "You can go with Chrysler. Or you can go with somebody else and take your chances." To support its rebate programs, the company aired ads in April with the theme line, "Nobody gives you more help than Chrysler."

Chrysler's Direct Connection performance parts marketing arm expanded its race strategy with an ad budget doubled to about \$600,000. Ads were aimed at drag racing, off-road, sports car racing and rallying and autocross

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—Bill Walsh, Vice President
Product Marketing
Peter Paul Cadbury Inc.



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(pylon racing) markets.

With Chrysler wanting to split Chrysler-Plymouth and Dodge into separate marketing units, Dodge began ad campaigns to change its image. First ads included star presenters and "America's Driving Machine." They stressed emotion (the "American dream") and price.

Dodge aimed its appeal at the traditional family market and young buyers, while Plymouth aimed for "values in a practical package." Chrysler continued as a luxury division.

In February, Dodge added its name to the roster of automotive sponsors for the United States Football League telecasts, splitting advertising rights on the telecasts with Buick. Dodge added several promotions to its ad package. It was named the "official car" and "official truck" of the football league, giving Dodge exclusive use of league and team logos.

The Dodge agreement with USFL included "pet projects" of Mr. Iacocca. Some 30-second charitable tv spots supporting the Statue of Liberty and the Ellis Island Foundation were co-sponsored by Dodge and the USFL. Mr. Iacocca is chairman of the foundation, formed to restore the landmarks.

In August, Dodge began a full marketing strategy to create an identity for Dodge. Dodge products had the common theme: "We are Dodge. An American revolution." Mr. Iacocca kicked things off Sept. 9 with 64 network spots about America regaining the lead in technology. "You don't just need a lot up here," he said in the spot, pointing to his head. "You need a little something in here," he added, pointing to his midsection.

The only star spokesman for Dodge and C-P ads was actor Ricardo Montalban. He concentrated on the Chrysler New Yorker. Mr. Iacocca continued to appear in corporate tv ads, although his presence was not as extensive as in the dark years.

Dodge advertising also went after new demographics. Dodge ads for the minivan, as well as the Daytona, were aimed at younger, more affluent customers who had previously shunned Chrysler.

The Dodge Caravan T-wagon advertising had a sporty, aggressive approach that scorned wood-grain exteriors for two-tone paint, fat tires and road wheels, and bore the "American revolution" theme. Women were a prime target of the 1984 Chrysler T-wagons as well. The company began building awareness for the vans during the year-end holiday season by hold test-drive programs in shopping malls and staging a Kellogg's cereal sweepstakes. A "Caravan of Caravans" promotion stopped in at shopping malls enroute from the Rose Bowl to the Statue of Liberty to let people test drive the cars without salesman pressure.

Chrysler-Plymouth added leather seats and electronic instrumentation to upscaled models and made comparisons in ads with the Porsche 944: "We know the competition was good. We had to be better. The new Chrysler Laser challenges the gold standard Porsche 944," ran one of the spots as the Laser outmaneuvered the 944.

To attract a larger market segment, Chrysler plans several new vehicles. These include the H-car, planned for the 1985 model year and aimed at younger buyers; a redesigned K-car with a notchback that will handle the family trade; small two and four-wheel-drive pickup trucks, designed to meet entries from Ford and GM, scheduled for the fall of 1985, and a modern-day Panther, a midengine all-out sports car. Chrysler, working with sports car builder Carroll Shelby, hopes to build a car to compete with the Ferrari and other sports cars. No definite schedule has been planned for the Panther.

Chrysler also is planning a convertible resembling the Mercedes SL

model, to be built in limited quantities, possibly in Europe. Again, no definite schedule has been planned.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$31,845,700	\$29,600,000
Magazines.....	44,845,200	25,582,200
Farm publications.....	716,600	733,453
Spot tv.....	18,626,000	23,533,900
Network tv.....	84,193,700	68,219,500
Spot radio.....	16,651,100	*11,997,173
Network radio.....	2,858,000	2,919,300
Outdoor.....	679,300	874,700
Total measured.....	280,415,600	*163,460,274
Unmeasured.....	29,604,500	50,539,776
Estimated total.....	230,020,100	214,000,000

*Revised

U.S. AUTOMOTIVE SALES GROUP

Marketing Personnel

B.E. Bidwell, exec vp-sales and mktg
E.T. Pappert, vp-U.S. auto sales
J.A. Campana, vp-mktg
T.R. Cunningham, genl sales mgr
G.J. Giocondi, genl mgr-services and parts
D.L. Davis, genl mgr-import/export operations
P.J. Keegan, genl mgr-truck operations
H.L. Barton, genl mgr-fleet operations
J.N. Caddell, genl mktg mgr-Dodge
A.C. Liebler, genl mktg mgr-Chrysler-Plymouth
J.J. Cronin, natl adv mgr-Dodge car and truck
A.C. Kesteloot, natl adv mgr-Chrysler-Plymouth
J.L. Hickey, corp adv mgr
L.F. Farrell, adv mgr-Dodge car
J.D. Sandesak, adv mgr-Dodge truck
C.J. Stickford, import adv mgr
W.R. Coley, corp merch mgr
J.B. Damoose, natl merch mgr-Dodge
E.J. Fleming, natl merch mgr-Chrysler-Plymouth
B.F. Mullins, director-sales and mktg pr
J.F. Kelly, dealer asst and retail adv mgr-Dodge
J.M. Reilly, forward planning mgr-Dodge

Advertising Agencies

Kenyon & Eckhardt, Inc.—Leo-Arthur Kelmenson, President, chairman and ceo; Ron Deluca, vice chairman; Steve Frankfort, vice chairman.

Detroit—Peter S. P. Dimsey, exec vp-genl mgr; Bruce P. Andrews, senior vp-admin genl mgr; James R. Heekin, senior vp-group mgmt super Chrysler-Plymouth; Chrysler-Plymouth Dealer Assn; John P. Hickey, senior vp-mgmt super Chrysler-Plymouth Dealer Assn; Jeffrey Jacobs, vp-acct super, Chrysler; Douglas Symons, vp-acct super, Plymouth; William J. Shea, senior vp-mgmt super, corp; James Else, acct super, corp; Philip Matz, senior vp-media director; Elton Kruger, senior vp-director of media planning; Dwight Davis, senior vp-creative director; Brian E. Palmer, senior vp-forward planning.

New York—Ken Duskin, exec vp-creative director; Bruce Montgomery, senior vp-associate creative director; William Tenebruso, senior vp-director corp media services; Arnold Kusnetz, senior vp-director of rch.

Los Angeles—John Adams, senior vp-genl mgr; Mark Curran, senior vp-mgmt super, Chrysler Imports; Hy Yablonka, senior vp-creative director; Nelda Chambers, senior vp-media director; Renee Frasen, vp-director of rch and strategic planning.

BBDO—A. Rosenshine, chairman-ceo; P. Dusenberry, vice-chairman and exec creative director; T. Clark, president-coo.

Detroit—J. Bertine, exec vp-genl mgr; R. Schneider, senior vp-finance & admin; P. Swiecki, vp-finance; D. Goschka, vp-legal counsel. Dodge Car—W. Oswald, senior vp-mgmt super-Car; B. Williams, vp-acct super-car; G. Berg, vp-acct super-car; D. Williams, vp-acct super, forward planning. Dodge Truck—K. Steadman, senior vp-mgmt super-truck; M. Graham, vp-acct super-truck. Research—T. Neman, senior vp-director rch/Planning; T. Townsend, vp-associate rch director. California/Imports/Direct Connection—H. Grusche, senior vp-mgmt super media; E. McCarthy, senior vp-exec media director; T. Zahrfeld, vp-media director, car; K. Ritchie, vp-media director-truck; S. Stoll, vp-broadcast media director. Creative—R. Howling, creative director-Car; J. Gahagan, creative director-truck; R. Folster, vp-associate creative director. Dodge Dealer Assoc.—A.D.

Jones, senior vp-mgmt super, Dodge Dealer Adv Assn.; D. Robinson, natl super-DAA. Los Angeles—D. Christopher, acct super; G. Campbell, pr.

Ross Roy Inc., Detroit—Glen W. Fortinberry, chairman-ceo; Richard C. Ward, exec vp; Don Scheich, vp-group acct super, Chrysler Learning Centers, Marine; Service & Paris; Donald Baldwin, vp-group acct super, Fleet & Lease; Robert Steiger, exec vp-creative director; Gerald Moody, senior vp-director of mktg services; Tom Maynard, vp-media super; Dave Garfield, vp-director of rch and planning.

Clorox Co.

	1983	1982
Sales.....	\$974,566,000	\$913,807,000
Earnings.....	79,709,000	65,507,000
U.S. Advertising.....	69,429,000	76,285,600

*Worldwide, fiscal years 1984 and 1983, ended June 30.

Clorox Co., Oakland, Cal., the 88th largest advertiser, decreased ad spending 9% in 1983, to an estimated \$69.4 million, primarily through reductions in network tv and magazines. The company did increase spending in spot tv, network radio and newspapers.

The company's earnings for the fiscal year ended June 30, 1984, rose 22%, to \$79.7 million. Sales of \$974.6 million were up 7% from the previous year.

Clorox continued to pursue its aim of transforming itself from a company dependent on a single product into a broad-based consumer products marketer similar to its former parent, Procter & Gamble.

Clorox liquid bleach was the company's only product until 1969 when the Federal Trade Commission forced P&G to divest itself of the Oakland, Cal., company.

Since then, Clorox has diversified through acquisition and in-house research and the development of new products. Although the company's name is still synonymous with bleach, liquid and dry bleach sales account for less than 50% of total earnings from established brands.

Clorox continued to strengthen its core household products business—which still represents 70% of its total sales—while building its strength in other areas.

Sales of Olympic paints and stains—sales the company didn't have two years ago—made up 10% of Clorox's total revenues in 1983. Olympic branded paints and stains also attracted \$6.8 million in media spending, according to Leading National Advertisers, an increase of 47% over 1982, and one of the few increases in product advertising at Clorox.

In 1983, Clorox increased its stake in the \$4 billion (wholesale) architectural coatings business by acquiring U.S. marketing rights to Du Pont's Lucite consumer paints, expanding its line of interior coating and gaining entry to the interior paint market.

When sales of Lucite are added to those of Olympic and Carver Tripp paints and stains (brands Clorox acquired when it bought Comerco Inc., Tacoma, Wash. in 1981), 16% of the company's 1983 sales would have come from its architectural coatings business.

Declining interest rates improved the housing market in 1983, brightening business prospects for Clorox's Olympic Stain Division as well. Although interest rates recently have begun to inch up again, the division had a profitable fiscal 1984 and expects the projected growth of new house-

holds will continue to spur demand in this category.

Clorox household grocery products sales were ahead for the 12th consecutive year and achieved a record in fiscal 1983. Figures for fiscal 1984 are not finalized, but indicators show it was another good year. Several brands had record shipments in fiscal 1984, including Clorox liquid bleach, Clorox 2 dry bleach, Formula 409 and Soft Scrub—all among Clorox's biggest advertised products.

Clorox had healthy earnings in 1983 and 1984, a reflection of increased shipments, plus price increases in several brands, lower interest rates and the relatively flat cost of packaging materials.

Clorox introduced two new products nationally in fiscal 1984, continued to test at least one other, as well as updating established brands through innovative packaging and product reformulations during fiscal 1984.

The Oakland-based bleach company, making a major push into the \$260 million cat box filler market, introduced Fresh Step, an odor-controlling cat litter, nationally in April, 1984. Spending was less than \$400,000 in media. The clay-based product, which features a microencapsulated fragrance that's released whenever a cat steps on or scratches the litter, had been in various test markets since the fall of 1981. Tv, newspaper and magazine advertising plays up Fresh Step's patented technology and its "cat-activated odor control."

Clorox places high hopes on what some are referring to as its "high-tech cat litter" entry into one of the fastest growing pet products categories. Fresh Step, introduced in partnership with Oil-Dri, Chicago, is Clorox's second entry into the category. Its first, Litter Green, an alfalfa-based cat litter introduced in 1971, has lost share because of rejection by cats, sources say. Clorox denies speculation it may consider dumping the brand. It spent less than \$200,000 in measured media on the brand in 1983, however.

Clorox, capitalizing on the success of its Hidden Valley Ranch salad dressing mixes, introduced the new bottled version of the product nationally in the spring of 1984. The product first appeared in June, 1983, in three test markets. Already dominant in the dry mix salad dressing market, Clorox hopes its Hidden Valley name will translate to the rapidly growing \$570 million pourable dressing category. Tv, newspaper and magazine ads stress thickness and taste.

The Hidden Valley salad dressing mixes received \$5.3 million in measured spending in 1983, down 9.2%.

Clorox withdrew Wave, a heavy-duty dry bleach, from four test markets after a disappointing performance, but since has reintroduced it in Phoenix and another market. Earlier, when asked about the pullout, group vp John Collins said, "It didn't live up to our expectations," but didn't rule out the possibility of reintroduction.

Wave competes against Vibrant, a dry bleach that P&G has been testing since 1981. Like Vibrant, Wave also is positioned as a heavy-duty bleach able to provide the whitening power of chlorine liquid with the safety of a dry.

Clorox, aiming to maintain its leadership position in the \$500 million bleach business (at retail) and to add some sparkle to a relatively stagnant bleach market, introduced to test market Fresh Scent, a sweeter smelling version of its well-known Clorox liquid bleach. The product began testing in Memphis and Dallas in 1983 and added Oklahoma City, Kansas City and Wichita in April, 1984. Despite sluggish 2% annual growth, the company still believes there is a sizable untapped potential market for Clorox liquid among the 75% of the U.S. population that doesn't use chlorine bleach.

In its quest to further expand the bleach market, Clorox also began testing two different versions of Clorox 2 dry bleach, one formulated for improved whitening, one for improved cleaning in Phoenix, Atlanta and Milwaukee. It introduced the "advanced whitening formula" nationally last spring. Ads supporting the launch

People weekly performs

"To compete against the big guys, you need a magazine with the exposure and importance of People"

—Bonnie J. Baruch
Senior Vice President
Director of Client Services
Carlson, Liebowitz & Olshever, Inc.
Agency for Merle Norman

KNOW THY COMPETITION

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claim it "whitens like a liquid bleach, but is safe on all colors."

Clorox spent \$8.9 million advertising liquid bleach, down 16.3% from 1982, and \$9.1 million on Clorox 2 bleach powder, down 10%.

Tilex mildew stain remover, a product the company introduced in 1981, is now the leader in its category. Last year, the company reformulated it to improve its scent and add a second cleaning property—it now removes soap scum from bathroom tiles. Tv ads emphasize these improvements. Measured spending was \$2.5 million, down from \$4.9 million.

In addition to new products, the bleach company is updating old ones. It added a new, "smooth flow" pouring feature to its Liquid-plumr drain opener in 1983, a move designed to reverse a volume decline in 1982. Clorox is introducing a new easy-to-open bag for its Kingsford and Matchlight brands. This apparently small detail is "an exclusive" that keeps the brand in front of competitors, said Clorox chairman-chief operating officer

Charles R. Weaver at the company's 1983 annual meeting. Measured media spending for both Kingsford and Matchlight brands increased in 1983, respectively, to \$3.4 million, up 13.9%, and \$2.5 million, up 6.8%.

Clorox's Emil Villa's Original Hick'ry Pit restaurants opened two facilities in Seattle late last year, its first expansion outside the San Francisco Bay Area. Mr. Weaver described the Seattle openings as a test to determine whether the Emil Villa name can be exported successfully. The company now has 11 restaurants.

As part of an attempt to expand its food service products operations, Clorox in July, 1983, sought to acquire Rotanelli Foods Inc., a New Rochelle, N.Y., marketer of premium quality frozen Italian specialty foods. The two parties could not reach an agreement, however. Clorox still is shopping for a food company, or other acquisitions that would be a good fit with any part of its business, a spokesman said.

As it continued to grow in various areas, Clorox also pursued its strategy

of divesting businesses that didn't fit into its plans. In 1983, it sold three food brands—BinB canned mushrooms to Pillsbury Co.; Cream of Rice cereal to Nabisco Brands, and Prime Choice steak sauce to the House of Herbs, Passaic, N.J.

There were several management changes in the spring of 1984. Among them: Anthony W. Biehl was promoted to general manager-food service products division, replacing G. Craig Sullivan, who had been vp of that division. Mr. Sullivan followed Michael R. Gallagher as vp-household products division. Dennis Rice succeeded W. Mahoney as marketing manager of the Olympic Stain Division in April. Both Mr. Gallagher and Mr. Mahoney left the company.

Clorox made few agency changes during the year. It assigned its Emil Villa restaurants to Scroggin & Fischer, San Francisco, in late 1983, succeeding Ogilvy & Mather. New radio and newspaper ads broke this spring in the Bay Area and Seattle. N W Ayer, New York, continues to

handle Lucite paints, its account before Clorox bought the marketing rights to the brand.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$396,700	\$373,700
Magazines.....	6,269,800	7,936,500
Spot tv.....	10,153,800	7,325,300
Network tv.....	41,383,500	47,359,400
Spot radio.....	528,700	—
Network radio.....	1,137,200	470,000
Outdoor.....	—	36,300
Total measured....	59,869,700	63,495,200
Unmeasured.....	9,559,300	12,796,400
Estimated total....	69,429,000	76,291,600

Marketing Personnel

Calvin S. Hatch, chairman-cco
C.R. Weaver, president-cco
John W. Collins, group vp
R.C. Richter, vp-Olympic Stain div
W.E. Lynn, vp-Kingsford div
G.C. Sullivan, vp-household prods div
A.W. Biehl, genl mgr-foodservice prods div
David L. Goodman, vp-public affairs and mktg services
R.P. Johnson, adv mgr-household prods div
M.A. Perry, adv mgr-Kingsford div
K.S. Koelman, director-mktg, Clorox food-service prods div
D. Rice, mktg mgr-Olympic stain div

R.H. Bolte, director-media operations

Advertising Agencies
Foote, Cone & Belding/Honig, San Francisco—Clorox bleach, Clorox 2, Formula 409, Soft Scrub, Twice As Fresh, Tilex—J.B. Balousek, mgmt super.

Needham, Harper & Steers/USA, Chicago—Clorox Pre-Wash, Liquid-plumr and Kingsford charcoal—S. Sharpe, mgmt super.

Young & Rubicam, San Francisco—Matchlight, Salad Crispins, Kitchen Bouquet, Fresh Step, Hidden Valley Ranch dry salad dressing, Litter Green, Olympic paints and Carver Tripp interior stains—Craig Branigan, mgmt super.

Scroggin & Fischer, San Francisco—Emil Villa Barbecue restaurant—Pam Becker, acct exec.

Foote, Cone & Belding/Honig, San Francisco—all Clorox foodservice prods except Moore's frozen foods—R.E. Blomquist, mgmt super.

Scott Inc., Milwaukee—Moore's frozen foods—Charles E. Reynolds, mgmt super.
N W Ayer, New York—Lucite paints—Janet B. Keeler, mgmt super.

Coca-Cola Co.

	1983	1982
Sales*	6,879,000,000	6,021,000,000
Earnings*	598,800,000	512,232,000
U.S. Advertising	282,150,000	255,325,600

*Worldwide

Coca-Cola Co., Atlanta, the nation's 22nd largest advertiser, boosted its ad spending 10.5% in 1983, to \$282.2 million.

Net U.S. sales increased 11%, to \$4.07 billion, 60% of worldwide sales of \$6.83 billion. Worldwide earnings of \$558.8 million were up 9.1%.

Coca-Cola USA, the company's North American soft-drink division, set a highly profitable course for Coca-Cola in 1983 when it rolled out diet Coke with NutraSweet, garnering a 4.1% market share in its first year of national sales, surpassing sister brand TAB as the leading U.S. diet soft drink.

By early 1984, the company began to claim that diet Coke—acknowledged as the nation's fourth leading soft drink brand behind sister brand Coke (24.1% market share in 1983), Pepsi (18.1%) and 7Up (5.4%)—actually had moved ahead of 7Up.

Beverage industry analyst Emmanuel Goldman of Montgomery Securities, San Francisco, estimated that diet Coke will end 1984 with a 5.8% market share, while 7Up will stay even at 5.4%.

In large part, the company credits diet Coke's success to its positioning to both males and females. TAB had earned a reputation, through everything from its pink packaging to its slim-figure marketing, as a woman's drink. A 1984 tv spot featuring male military trainees serenading diet Coke during a workout epitomizes the soft drink's positioning to men—a unisex positioning that the company is echoing in current spots for diet Sprite.

Coca-Cola backed diet Coke's debut with \$21 million in measured 1983 advertising, up from \$3.3 million in test year 1982.

Handled by SSC&B, New York, the diet Coke campaign tagged "Just for the taste of it" featured celebrities welcoming the new soft drink.

In 1984, SSC&B has altered the tag line slightly for each of its new spokespeople: Singer Kim Carnes, actor James Coco, singer Shari Belafonte, singer "Weird Al" Yankovic, model Christie Brinkley, baseball's Tommy Lasorda and pilot Chuck Yeager among others.

The company thought enough of SSC&B's diet Coke work to move its regular and caffeine-free TAB account there in mid-1984 from McCann-Erickson, Atlanta and New York, agency for the company's flagship brand.

In 1983, Coca-Cola spent nearly \$25 million in measured ad spending for TAB, up 29.2% from the previous year. Most of the additional ad spending—about \$4.6 million—was devoted to spots featuring caffeine-free TAB.

McCann-Erickson replaced the short-lived "You're my TAB!" campaign (introduced in August, 1983) with "Let's taste new TAB," which ap-

ASK Joan Collins

• and Robert Mitchum • and Orson Welles • and Lauren Bacall • and Ricardo Montalban • and George Peppard • and Morgan Fairchild • and Mr. T • and Heather Locklear • and Chevy Chase • and James Brolin • and Jimmy Stewart • and Barbara Eden • and Buddy Ebsen • and Mohammed Ali • and Sarah Purcell • and Eddie Albert • and Lloyd Bridges • and Ernest Borgnine • and Shirley Jones • and Dick Van Patten • and Marcus Allen • and Phyllis Diller • and Rodney Dangerfield • and Burgess Meredith • and Juliet Prowse • and Jill St. John • and Julius Irving • and Lindsay Wagner • and Rita Moreno • and Mickey Rooney • and Jack Palance • and Jennifer O'Neill • and Diane Von Furstenberg • and Leonard Nimoy • and Scott Carpenter • and Elke Sommer • and Mel Tillis • and Doc Severinsen • and Audrey Landers • and Tony Randall • and McLean Stevenson • and Joyce Brothers • and Arnold Schwarzenegger • and James Whitmore • and Mary Ann Mobley • and Howard Cosell • and Melvin Belli • and Ester Rolle • and Jayne Meadows • and Robert Conrad • and Don Knotts • and Toni Tennille • and Martin Mull • and Carl Reiner • and Ruth Buzzi • and David Steinberg • and Hope Lange • and Herschel Walker • and Tina Louise • and Ava Gabor • and The Smothers Brothers • and Rick Monday • and Helen Reddy • and Alan Carr

• and Steve Allen
• and Jo Anne Foxe • and Red Skelton
• and Billy Carter • and Paul Williams • and Newton • and Peter Price • and E.G. Marshall
• and Gary Burghoff • and Milton Berle • and Tony Martin • and Jerry Dennis • and Cesar Newman • and Ginger • and Trini Lopez • and • and Macdonald Carey • and Henny Youngman • and Rosy Grier • and and Roddy McDowell • Richard Roundtree • and Avery Schreiber • and Nipsey Russell • and Bobby Riggs • and Rudy

• and George Jessell • and Kaye Ballard • and Murrey Amsterdam • and Kevin McCarthy • and Cyd Charisse • and Bert Parks • and Gordon MacRae • and Rex Reed • and Buddy Greco • and Meadeowlk Lemon • and Scatman Crothers • and Jackie Vernon • and Ed Byrnes • and John Cappelletti • and Buster Crabbe • and Tracy Austin • and Sheila MacRae • and Dorothy Malone • and Paul Burke • and Julia Meade • and Ann Miller • and Xavier Cugat • and Andrew Sisters • and Dennis Day • and Gisèle MacKenzie • and Mickey Dolan • and Chubby Checker • and Ted Bessell • and Flao Domini • and Roger Miller • and Cliff Gorman • and Barnstable Twist • and Lyle Waggoner • and Martin Landau • and Don Adams • and Marty Allen • and Shari Cassidy • and Steve Lawrence • and Eydie Gorme • and Delia Reese • and Ron Palillo • and Roberto Bracci • and Kevin Dobson • and James Earl Jones • and Meri Haggard • and Red Astaire • and Marty Ingels Mothers

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peared as the soft drink was reintroduced in early 1984 with an aspartame/saccharin sweetening blend and slightly modified, darker packaging.

Although diet Coke took over TAB's spot as the leading U.S. diet cola, Coca-Cola has played down the rivalry between its leading diet drinks. Although TAB's market share has slipped from 3.8% in 1982 to 2.7%, together with diet Coke it holds a 45% share of low-calorie soft-drink sales in U.S. food stores.

Coca-Cola moved to boost Sprite's market share from the current 2.8% by increasing measured ad spending to \$21 million in 1983, up 62.8% from the previous year.

Agency Marschalk Co. in October introduced a new, aggressive ad campaign for Sprite that for the first time directly took aim at its top rival, 7Up. Tagged "It's only Sprite for you," the initial ads featured consumer taste test results; the secondary wave used slice-of-life scenes in which the two lemon-lime drinks were compared.

Sugar-free Sprite benefited from nationwide reintroduction with a new name (diet Sprite), an aspartame/saccharin sweetening blend and new packaging. To reinforce the ties between the regular and diet versions, Marschalk used the tag line "It's only diet Sprite for you" in new high-profile spots for the low-calorie drink. At \$4.7 million, measured ad spending was 51.6% higher in 1983 than in the previous year.

Coca-Cola devoted a portion of its \$20 million Summer Olympics buy to Sprite and diet Sprite. In 1982, by comparison, the company did not buy any network tv time for diet Sprite.

Measured spending for the company's flanker brands—Mello Yello, Fresca, Mr. PiBB, Ramblin' root beer and Fanta—totaled only \$1.1 million in 1983, representing a drop even from 1982's minimal spending.

At press time, rumors that Coca-Cola was contemplating moving Fresca and Mello Yello from Atlanta-based McDonald & Little to parent

Ted Bates Advertising were unconfirmed.

Measured spending for the flagship Coca-Cola brand also fell slightly in 1983, but on a much different level: From 1982's \$45 million to \$42.8 million in 1983.

The company's success with diet Coke led McDonald's Corp. to make the latter one of two authorized diet soft drinks available to operators of its 6,200 U.S. outlets. Sprite beat out 7Up as the company's authorized lemon-lime fountain drink. But as soon as Coke had won one, it lost two: Both Burger King and Wendy's International moved their company-owned stores' fountain business to PepsiCo from Coca-Cola, resulting in a loss of some 5,000 restaurant outlets. Fountain sales account for about 33% of Coca-Cola's U.S. soft-drink sales.

Coca-Cola's Houston-based foods division experienced another profitable year with sales up more than 10%. Minute Maid orange juice maintained its leader's share of the orange juice market, with sales volume up 10% in 1983, despite the debut of Procter & Gamble's Citrus Hill and stronger marketing of other refrigerated and frozen juice brands such as Tree Fresh and Beatrice Cos.' Tropicana.

Minute Maid's market position was strengthened by several line extensions, including the debut of an extra pulp juice and a reduced acid juice introduced in January, 1983.

Measured ad spending for Minute Maid products was down slightly, from \$14 million in 1982 to \$13.6 million in 1983.

The Foods Division aggressively extended the Minute Maid name on a

new line of frozen juice bars (available in selected markets) and 10-oz. juice cartons (now national). Hi-C frozen fruit bars and Minute Maid orange soda remain in test. The company plans to introduce Minute Maid and sister brand Five Alive, in aseptic packages this year.

The company reported that its Columbia Pictures subsidiary did not meet profitability expectations in 1983, its first full year under Coca-Cola's umbrella, despite the critical and financial success of "The Big Chill." However 1984 releases, led by the summer blockbuster "Ghostbusters" and including "The Karate Kid" and "Moscow on the Hudson," bode well for a move into profitability. In addition, Tri-Star Pictures, Columbia's joint venture with CBS, scored well with its initial venture, "The Natural."

Columbia's measured ad spending rose about 25%, to \$40.6 million, in 1983.

Coca-Cola Co. sold its Wine Spectrum unit to Joseph A. Seagram & Sons for more than \$200 million in 1983, then signed an agreement with Seagram to handle its line of mixers.

Major 1983 personnel changes included the departure of Frank Price, Columbia Pictures chairman-ceo, and the appointment of Sergio Zyman to the new post of senior vp-marketing for Coca-Cola USA.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$6,837,000	\$4,424,500
Magazines.....	8,582,100	5,762,700
Spot tv.....	70,672,600	59,311,300
Network tv.....	95,888,700	87,288,500
Spot radio.....	8,048,400	14,185,300
Network radio.....	—	124,600
Outdoor.....	3,284,400	3,189,400
Total measured.....	192,513,200	174,286,300
Unmeasured.....	89,636,800	81,119,300
Estimated total.....	282,150,000	255,405,600

COCA-COLA USA

Marketing Personnel

Brian G. Dixon, senior vp, The Coca-Cola Co. and president, North American Soft Drink Business Sector
Sergio Zyman, senior vp-mktg operations; Albert E. Davis, vp-mktg, Coca-Cola USA
Clare Bisceglia, director-adv and production services
Charlotte Weissenberger, director-media services
William L. Schermerhorn, group brand director-cola brands
C. Patrick Garner, group brand director-ally brands
Mike Beindorff, group brand director-diet brands
Daniel O. Haas, director-promo services

Advertising Agencies

Burrell Advertising, Chicago—Black consumer advertising—Tom Burrell, president; Sarah Burroughs, senior vp; Freida Curry, acct super; Raynard Hall, acct acct exec.

Castor Spanish International Inc., New York—Hispanic consumer advertising—Castor Fernandez, president; Arturo Andrade, exec vp.

Kenyon & Eckhardt, New York—Ramblin' root beer, Sugar-Free Ramblin' root beer—Tom McDonough, acct mgr; Lois Homma, acct super; Susan Popper, acct exec.

Marschalk Co., New York—Sprite, diet Sprite, Mr. PiBB, Sugar-Free Mr. PiBB new prods—Eric Einhorn, acct vp; Peg Jump, vp; Rob Petersen, acct super; Frank Tow, acct exec; Cary Raffle, acct super-new prods.

McCann-Erickson, Atlanta and New York—Coca-Cola, Caffeine-Free Coca-Cola, Fanta—(Atlanta) Ronald E. Sugarman, exec vp, worldwide mgmt rep; John Dooner, senior vp; David Clapp, senior vp; Terry Fagan, vp; Linda Torossian, acct super; Bruce Hoster, senior acct exec; Cheryl Dunn, senior acct exec; (New York) William C. Thompson, exec vp, McCann-Erickson Worldwide; John F. Bergin, vice chairman, McCann-Erickson Worldwide; Joseph McNeill, senior vp-creative director; Lawrence Cluca, vp-acct exec; Walter Truman, senior vp; Nancy Hanau, acct exec.

McDonald & Little, Atlanta—Fresca and Mello Yello—Michael McDonald, president; Joseph Lonsdorf, mgmt super; George Dick, acct super.

SSC&B, New York—diet Coke, Caffeine-Free diet Coke—Steve Norcia, vp-senior mgmt officer; Rudy Bechtel, senior vp-mgmt super; John Fraser, acct super; Becky Broers, acct exec; Matt Lake, acct acct exec. TAB and Caffeine-Free TAB—Spencer Flavoukos, vice chairman-senior mgmt officer; Don Lenehan, vp-mgmt super; Neal Wilkins, acct super; Sheila Dailey, acct exec.

COLUMBIA PICTURES

Marketing Personnel

Francis T. Vincent, senior vp-The Coca-Cola Co. and president-Entertainment

Business Sector and chairman-ceo-Columbia Pictures Industries

Richard C. Gallop, president, coo and chairman

Ashley Boone, president-Columbia Pictures domestic distribution and marketing group

Steven Kasloff, senior vp-creative director adv

Paula Garrett Kelly, senior vp-media adv

Katherine Orloff, senior vp-domestic publicity and promotion

Randy Wicks, senior vp-director, adv

Lenore Cantor, vp-research

Todd Martin, vp-a/v production, adv-publicity

Mark Urman, exec director-East Coast publicity

Diane Charbanic, senior director-media and coop adv

Charles W. Bigbee, director-adv production

John C. Flinn, director-industry relations

Jack Friend, director-coop adv

Judi Schwamm, director-natl promotion and field operations

Richard Scott, director-natl publicity

Miriam Alexander, assoc director-rach

COLUMBIA PICTURES TELEVISION GROUP

Herman Rush, president

Barbara Corday, president-Columbia Pictures Television

Joseph Indelli, senior vp-domestic distribution

Steve Astor, vp-adv and promo, domestic distribution

Kay Dangard, vp-promotion and publicity

COLUMBIA PICTURES MERCHANDISING

Lester J. Borden, vp-general mgr

COLUMBIA PICTURES PUBLICATIONS

Frank J. Hackinson, president

MYLSTAR ELECTRONICS

Boyd W. Browne, president

Advertising Agencies

Ogilvy & Mather, Los Angeles—Mary Ellen Stotzel, vp-mgmt super; Jules Fine, exec vp-director, mktg services.

Diener/Hausler/Bates, New York—Norman Trell, exec vp-exec media director; Eugene B. Cofsky, president-West Coast div.

FOODS DIVISION

Marketing Personnel

Ira Herbert, exec vp, The Coca-Cola Co. and president, Foods Business Sector

Eugene V. Amoroso, president and ceo, Coca-Cola Foods

Clinton E. Owens, senior vp-mktg and genl sales

Thomas C. Cleveland, senior vp-coffee and foodservice

Timothy J. Haas, vp-consumer sales

Jay M. Mower, vp-beverage mktg

Frank E. Blod, vp-orange juice mktg

Dan W. Valentine, director-mktg services

Advertising Agency

Marschalk Co., New York and Houston

—Dick Villante, exec vp; John Oliver, senior vp-mgmt services director; Robert Shea, vp-acct super; Ken Roffe, senior vp-director, new prod group; Eric Einhorn, vp-mgmt super; Samuel Smith, acct super.

Coleco Industries

	1983	1982
Sales*	\$596,498,000	\$510,388,000
Earnings*	(7,433,000)	44,896,000
U.S. Advertising	88,314,373	31,518,703

*Worldwide

Coleco Industries, West Hartford, Conn., the 98th largest national advertiser, posted a 75% increase in advertising in 1983 as the company suffered a net loss in earnings on sales that increased 17% for its computers, games software and toys business.

Coleco, which logged total advertising expenditures of \$55.2 million for 1983, spent \$45.6 million of that amount in measured media—the largest share, or \$14.3 million, on computer videogames, according to Leading National Advertisers, which monitors media ad spending.

Game systems and cartridges attracted \$11.5 million in media, including videogame cartridges, \$8.1 million, and Adam computer, nearly \$4.5 million in measured ad spending. The advertising emphasis on videogames chased the biggest sector at Coleco, the consumer electronics segment. Consumer electronics accounted for \$403.9 million, or 68% of total sales, but produced an operating loss of \$22.3 million.

The company's other segment, toys and games, generated an operating profit of \$17 million on sales of \$192.6 million.

Coleco was affected adversely by the flurry of cartridges and producers in the videogames industry, a glut not expected to ease until the end of 1984 if

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even then, according to industry analysts. Coleco sales of 8 million cartridges in 1983 out of a total unit sales of 80 million for the industry, gave it a 10% market share behind Atari (39%), Mattel (15%) and Activision (14%), according to Goldman, Sachs & Co.

Contributing to the losses in 1983 was the marketing delay of Coleco's new Adam computer. Initial delivery date for the Adam was midyear, but engineering and production problems kept delaying delivery. Coleco ultimately had only 95,000 out of a predicted 500,000 on the market by year's end.

Coleco subsequently postponed \$4 million in advertising for the unit from the last quarter of 1983 to the first quarter of 1984. The aborted Adam campaign was tagged "Command the Powers of Adam." The four spots appeared only briefly on the air before they were pulled, said Al Kahn, exec vp-marketing.

Previously, the company had said it planned to spend between \$20 million and \$25 million in total advertising in 1983 on the Adam system, which retails for about \$600. The delay reduced the 1983 Adam advertising to between \$16 million and \$20 million in both measured and unmeasured advertising.

Coleco's first-quarter results ended March 31, 1984, indicate the company is not out of the trough, yet. While sales increased 3.3%, earnings dropped to \$4.4 million from \$16.2 million in the first quarter of fiscal 1983.

Coleco invigorated its Adam computer ad budget in mid-August, 1984, with a new \$15 million advertising campaign, largely on tv, targeted at families with school-age children. The pitch, conceived by Ketchum Advertising, bears the slogan, "The smartest gift you can give your family." The 60-second commercials created for the Adam, and which will coincide with first back-to-school and then Christmas advertising, point out that children can do better homework with the aid of a computer.

The company, which says its problems with Adam are now solved, continues to record smart sales for the Cabbage Patch Kids.

Coleco set the children's world, and consequently the adult one, on its ear with the introduction of the dolls at the end of 1983, selling more than 3.2 million dolls for the year. It spent \$3.5 million advertising toys, dolls and accessories in 1983, but received untold editorial support during the Christmas period for the Cabbage Patch Kids.

Worldwide demand for the Kids continued to accelerate into the new year. In the first six months, sales more than doubled for the dolls from last year's totals. In the first quarter alone, about 2.5 million of the dolls were shipped, and the unshipped order backlog for the Kids at quarter's end was worth \$200 million. Coleco is taking care of the backlog by signing additional contractors to manufacture the dolls.

Riding the crest of the Cabbage Patch phenomenon, Coleco is lending the popular name to a number of other toy products and videogames.

The company in the spring introduced the infant Cabbage Patch Kids Preemies, the 'Koosas or pets, 5-in. collectible Cabbage Patch Kids Pin-Ups and a variety of doll clothing and accessories.

Cabbage Patch Kids also is the name of a new videogame introduced by ColecoVision in 1984. Six additional

video titles were introduced in the second quarter of 1984.

Coleco and a unit of American Telephone & Telegraph Co. have agreed to develop a joint venture to distribute videogames and entertainment software by telephone.

The venture promises to give Coleco access to millions of videogame and home-computer buyers who have purchased systems from competitors. The access was expected to expand Coleco's ability to buy marketing rights for software.

Coleco is confident it has solved the production problems that plagued the Adam. The company laid off nearly 2,000 employees at various production facilities.

Marketing geared back up for the Adam in late summer of 1984, as Coleco unveiled a new campaign—mostly through seven spots on national tv. Mr. Kahn said the campaign would be similar to the previous one, but also would accentuate price, value, completeness and ease of purchase.

ADVERTISING EXPENDITURES*

	1983	1982
Newspapers.....	\$194,284	\$262,219
Magazines.....	1,766,845	1,257,485
Television**.....	53,255,744	29,950,946
Radio.....	—	48,852
Total measured.....	55,216,373	31,518,703

*Provided by Coleco.

**Coleco refuses to break out spot and network tv or radio for proprietary reasons.

ADVERTISING EXPENDITURES†

	1983	1982
Newspapers.....	\$272,500	\$340,050
Magazines.....	1,773,900	1,246,300
Spot tv.....	14,331,300	14,181,800
Network tv.....	29,488,500	10,920,560
Spot radio.....	6,200	9,453
Total measured.....	45,872,400	26,698,053
Unmeasured.....	9,343,973	4,960,650
Estimated total.....	55,216,373	31,658,703

†From AA's usual sources

COLECO INDUSTRIES INC.

Marketing Personnel

Al Kahn, exec vp-mktg
Jerry Wood, vp-mktg toys/games
Harvey Zelman, director-mktg dolls/toys
Harvey Johnson, director-mktg services
Bob Wanke, mgr-mktg entertainment software
Cheryl Stoebeau, director-licensing

Advertising Agency

Ketchum Advertising, Pittsburgh—electronics (Adam)—Gregory W. Faust, acct super.

Richard & Edward's Inc., New York—toys and electronics (media placement)—Dick Schwarzschild, president; Ed Mandell, exec vp-creative director; Lloyd Fink, vp-creative director; Jay Wolf, vp-art director; Shelly Hirsch, senior vp-media director.

Colgate-Palmolive Co.

	1983	1982
Sales*.....	\$4,865,000,000	\$4,888,000,000
Earnings*.....	381,000,000	394,000,000
U.S. Advertising.....	268,000,000	268,000,000

*Worldwide

Colgate-Palmolive Co., New York, the nation's 24th largest advertiser, maintained advertising spending at \$268 million in 1983, a year marked by a dramatic agency shift.

The company used much of its advertising budget to support product introductions and relaunches. It especially has focused on rebuilding market share, often with reformulated products, for its core group of household brands.

Worldwide sales were \$4.87 billion in 1983, down 0.5% from 1982. Net income dropped 3.3%, to \$381 million. U.S. sales of \$2.2 billion, 45% of total sales, were up 10% from 1982.

In May of this year, Reuben Mark, president of the company, succeeded Keith Crane as ceo. Mr. Crane, 63, who had held that position for five years, will remain chairman. Mr. Mark will continue as president, a position he was elected to a year and a half ago.

Also in May, William S. Shanahan and J. Dale Sherratt, exec vps, were named to the new positions of senior exec vps-chiefs of operations. Mr. Shanahan is responsible for worldwide Colgate and other operations. Mr. Sherratt heads Kendall and other related hospital, industrial and fiber businesses.

The executive reorganization is seen as a positive sign in the investment community. "I personally think Reuben Mark is going to make a major, major difference," said Hercules Segalas, analyst with Becker Paribas Inc.

In the past two years, Mr. Segalas said, Colgate has gone through a period of "profitless prosperity." The company has expanded unit sales and domestic market shares in the cycle, but has seen its net income blunted by a strong U.S. dollar and investment spending.

Colgate's U.S. market share gains have been "pretty much across the board," Mr. Segalas said, "but have been especially significant in toothpaste. Of all the companies, they did the best job in gels."

Colgate made waves last year by engineering sweeping agency reassignments. It dropped Kenyon & Eckhardt in the U.S. and D'Arcy McManus Masius overseas and assigned \$120 million in worldwide business to Young & Rubicam.

So far, the impact of the agency realignment hasn't been seen, but the company plans to continue to spotlight selected household and healthcare brands, including Fab with fabric softener, Dynamo Action Plus, Ajax all-purpose cleaner and Curad flexible bandages.

Last year, the company introduced 162 new and revitalized products in 44 countries.

Adding muscle to Colgate's campaign to win market share in the U.S. toothpaste market was its expenditure of \$33.6 million in measured media on its toothpaste brands in 1983. That compares with \$32.4 million a year earlier.

Of the total media buy for tooth-

pastes, Colgate gel got \$17.6 million, and Colgate regular and gel as a combined promotion got \$12.2 million, and Ultrabrite got \$3.5 million, down from \$4.5 million a year earlier. Minor ad spending went to Dentagard and Peak toothpaste with baking soda.

The company recently introduced a new pump dispenser for Colgate toothpaste and gel in the U.S. after a successful launch in Europe. Colgate toothpaste is the No. 2 brand in the U.S., holding about 22% of the category. Ultrabrite and Peak hold a 2% market share together.

In its laundry detergent category, Colgate curtailed ad support for Fresh Start, a concentrated laundry detergent with a market share of 4%. The detergent got \$11.6 million in measured media this year, a drop from \$16.7 million a year earlier.

It beefed up its media backing for Fab with fabric softener. Fab, which holds a 3% market share, got \$5.3 million in measured media, a big increase over the \$1.4 million in advertising it received last year.

Dynamo Action Plus, the liquid laundry detergent with just over a 3% market share, got \$5.1 million, about on par with the \$5.8 million spent by the company on the product last year.

Palmolive dishwashing detergent, with a 12% market share, was backed with \$9.9 million in measured media, a slight decrease from the \$10.7 million it received last year.

Ajax dishwashing detergent got about \$3.8 million in media backing last year, off slightly from the \$4.4 million it received in 1982. Ajax has a 3% market share. The leading Ajax product receiving ad support was the new liquid cleaner, which received \$7.1 million, up from \$400,000.

The measured media budget for Curad flexible bandages was \$3.9 million. That expenditure was the backup support for a fanfare year in 1982 when the company introduced the flexible bandages with \$5.9 million in media backing.

The deodorant soap Irish Spring, which has a 4.6% share of the toilet soap market, got \$6.6 million in measured media. The soap received about \$7.5 million in ad dollars in 1982.

Among the new products, Splendor

shampoo received \$2.3 million in measured support during 1983.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$1,664,300	\$2,582,500
Magazines.....	8,477,800	7,208,900
Farm publications.....	226,000	216,300
Spot tv.....	29,596,000	23,919,900
Network tv.....	59,915,100	59,633,900
Spot radio.....	3,925,800	4,300,900
Outdoor.....	—	6,600
Total measured.....	103,805,000	97,889,000
Unmeasured.....	164,195,000	170,111,000
Estimated total.....	268,000,000	268,000,000

COLGATE-PALMOLIVE CO.

Corporate Personnel

Keith Crane, chairman
Reuben Mark, president-ceo
William W. Powell, senior exec vp-chief devel officer
William S. Shanahan, senior exec vp-coo C-P worldwide
J. Dale Sherratt, senior exec vp-C-P; coo-ceo, Kendall Co.

John M. Watkins, senior exec vp-chief strategy and business devel officer

U.S. MARKETING

Marketing Personnel

A. Courtenay Shepard, vp-genl mgr
A. Allen, vp-creative services
R.E. Blanchard, director-mktg, regular prods
A.X. DeNisco, director-devel and planning
K. Thornhill, J. Benfield, L. Deming, M. Jennings, category mgrs
P. Amershadian, G. Baratta, T. Holton, J. Uzzolina, group mgrs

Advertising Agencies

Ted Bates Advertising/New York—Colgate toothpaste, Palmolive dishwashing liquid, Palmolive soap, Colgate toothbrushes, Palmolive Rapid Shave—Roger Pisani, exec vp; Geoffrey L. Clarkson, Ill. Feld, senior vps-mgmt reps; Don Byer, David Watson, Jane Suslavich, vp-acct supers; Paul McCormick, Steve McDonald, Ted Powell, Mary Atwater, Bonnie Perkel, acct execs; Ron James, asst acct exec.

Footie, Crane & Belding, New York—Dynamo detergent, Fab detergent, Curad bandages, Ultra Brite toothpaste, Fluorid dental rinse, new prods—Charles Taney, senior vp-group mgmt director; James Bonner, vp-mgmt director; Warren Dobbs, acct director; Charles Ballard, acct exec; John Seidl, asst acct exec.

Young & Rubicam, New York—Fresh Start detergent, Irish Spring soap, Ajax all purpose cleaner, Ajax dishwashing liquid, new prods—James McCoubrey, exec vp; Tim Pollak, senior vp-mgmt super; John Foote, vp-mgmt super; Phil Asche, Ken Robinson, vp-acct supers; John Leonard, Mary Ellen Kenny, acct supers; Paul Loran, Jeff Salguero, Jeff Frankum, acct execs.

Siboney, New York—Hispanic advertising for Colgate toothpaste, Fresh Start, Fab, Palmolive dishwashing liquid, Palmolive



The top 25 farm publication advertisers

Rank	Advertiser	Expenditures (\$'000)	
		1983	1982
1	Monsanto Agricultural Products	\$8,288.2	6,870.9
2	Ciba-Geigy Corp.	5,587.4	6,560.8
3	Elanco Products Co.	4,859.8	6,793.1
4	Stauffer Chemical Co.	4,317.6	5,272.6
5	John Deere & Co.	4,254.7	4,410.5
6	Du Pont*	4,119.0	3,383.2
7	International Harvester Co.	3,906.3	4,248.8
8	Mobay Chemical Corp.	3,768.9	2,603.6
9	American Cyanamid Co.*	3,449.1	4,636.1
10	Ford Motor Co.*	3,431.3	3,390.8
11	U.S. Government*	2,904.7	2,271.4
12	Dow Chemical Co.	2,437.1	2,656.0
13	Upjohn Inc.	2,283.0	1,800.2
14	Pioneer Hi-Bred International	2,132.1	2,039.1
15	J.I. Case Co.	2,105.5	1,482.5
16	Sperry Rand Corp.	2,085.0	2,254.5
17	Shell Oil Co.	2,036.1	1,905.0
18	BASF Wyandotte Corp.	2,007.9	1,913.7
19	DeKalb Agresearch	1,744.4	1,679.0
20	General Motors Corp.*	1,740.9	1,596.4
21	Union Carbide Corp.*	1,722.8	1,614.9
22	SDS Biotech	1,717.9	1,347.6
23	Ralston Purina Co.*	1,654.3	846.0
24	Allis Chalmers	1,592.8	1,295.1
25	Pfizer Inc.*	1,552.3	1,672.0

Source: Agricultural Marketing Information Service (AGRICOM).

*Indicates a 100 Leading National Advertiser



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soap, Irish Spring, Ajax dishwashing liquid, Ajax all purpose cleaner, Ajax cleanser—Alexander Berger, vp-genl mgr; Gary McBride, director-client services; Lynnette Guzzino, acct super, Carla Trum, acct exec.

SPORTS & RECREATION

DIVISION

Marketing Personnel

J.E. Grimm III, vp-genl mgr

Bike Athletic

Marketing Personnel

J.M. Axford, president

J. Corbett, mktg mgr

Etonic Inc.

Marketing Personnel

S.D. Tannen, president

J.R. Larsen, vp-mktg

Advertising Agencies

Lavidge & Associates, Knoxville, Tenn.—

Bike Athletic—Hal Ernst, acct exec.

Creamer Inc., Providence, R.I.—Etonic—

Guy Corcoran, vp.

KENDALL CO.

Marketing Personnel

J.D. Sherratt, president

Hospital Division

T.E. Tierney, group vp

M.B. Cogbill, vp

K. Wester, senior adv mgr

J. Dawson, adv mgr

Advertising Agency

Rizzo, Simons & Cohn Inc.—Phil

Mathews, acct exec.

Industrial Division

F.J. Zeitvogel, group vp

D. Arena, vp-industrial

J.H. Jacobsmeier, vp-fabrics

R.C. Gockelman, director-Special

Ventures Group

D. Battelle, senior adv mgr

B. Holt, adv mgr

Advertising Agency

Ingalls Associates—Linda McDonald,

acct exec.

Consumer Division

E.E. Hinds, vp

D. Battelle, senior adv mgr

B. Holt, adv mgr

Advertising Agency

Humphrey Browning, MacDougall, Boston—

Curry diapers, baby clothing—Ann

Manning, acct mgr.

International Division

C.P. Bruen, vp

PRINCESS HOUSE

Marketing Personnel

Robert J. Haig, president

John Galazin, vp-sales and mktg

Advertising Agency

Leonard Monahan & Saabye—Cathy Ot-

taviano, acct super.

RIVIANA FOODS INC.

Marketing Personnel

Frank A. Godchaux III, ceo

Joseph A. Hafner Jr., president

Charles R. Godchaux, president, Riviana

Rice USA

Elliot H. Wallin, senior vp-sales and mktg,

Riviana Rice USA

Christopher L. Haines, vp-mktg, Riviana

Rice USA

Thomas M. Forshee, natl sales mgr, Riv-

iana Rice USA

Richard L. Carte, D.V.M., vp-mktg and

sales, Hill's Pet Products

David Geier, director-food mktg, Hill's

Pet Products

Tim Phillips, D.V.M., prescription diets

product mgr, Hill's Pet Products

James C. Humphrey, vp-Pet Chemicals

James L. Means, director-mktg, Pet Chem-

icals

Robert L. Davison, professional prods

mgr, Pet Chemicals

Advertising Agencies

Bloom Agency, Dallas—Riviana rice—

Stan Hansen, senior vp; Nancy Rehling, acct

exec.

Harmon Smith Advertising, Kansas City—

Hill's Pet Products—Marc Ford, acct

exec.

ASSOCIATED PRODUCTS

Marketing Personnel

L. Karl Hollering, vp-genl mgr

A.P. Chadourne, director-Sterno Maxwell-

Phillip business entity

W.R. Voorhees, director-industrial and in-

stitutional business entity

P.F. Manzione, director-military business

entity

Advertising Agencies

Stern Walters/Earle Ludgin, Chicago—indus-

trial, institutional, Sterno—M. Friend,

senior vp-acct super.

Albert J. Rosenthal & Co.—military—A.

Becker, acct super.

Consolidated Foods Corp.

	1983	1982
Sales*	\$7,000,310,000	\$6,572,298,000
Earnings*	188,441,000	171,255,000
U.S. Advertising	195,858,000	178,006,900

*Worldwide for fiscal 1984 ended June 30, fiscal 1983 ended July 2.

Consolidated Foods Corp., Chicago, the nation's 33th largest advertiser, spent an estimated \$195.9 million on

advertising in 1983, representing a 10% increase over the previous year.

Companywide sales for fiscal 1984, ended June 30, rose 6.5%, to \$7 billion. Earnings, likewise, increased 10%, to \$188.4 million.

The diversified food and personal products manufacturer consolidated operations by selling its struggling L'Erin cosmetics line last August. The sale represented a companywide trend toward divesting smaller, less-profitable subsidiaries in favor of traditional "core businesses."

To further focus on those businesses, Consolidated has divided its 21 operating units into five areas: Consumer foods (representing about 27% of sales), beverages (20%), consumer personal products (20%), foodservice distribution (19%) and consumer direct sales (14%).

Within those groups, Consolidated scored a number of marketing successes in 1983—among them the continuing sales growth and line extension of Sara Lee croissants, Capri Sun fruit drinks, Hanes Underalls and Shasta soft drinks.

Consolidated's consumer foods segment is led by the Chicago-based Kitchens of Sara Lee, which, after several sluggish years, again has begun adding aggressively to its frozen baked goods lineup—and marketing to ensure success of those new products.

In the late 1970s, Sara Lee virtually ceased advertising. However, the division's over-all ad budget, estimated Richard Sharoff, senior vp-retail division, has more than doubled since fiscal 1982.

About \$1.9 million of Sara Lee's \$5.7 million in 1983 measured media spending supported the company's frozen croissant line. The croissants, which debuted with an initial three flavors in February, 1983, were "an instant success," Mr. Sharoff said. Measured ad spending on croissants was divided almost equally between spot tv and magazines.

"Croissants don't just represent a single product for us," Mr. Sharoff said. "They are a whole new category of baked goods." In April, 1984, Sara Lee introduced a line of frozen croissants filled with chocolate, strawberry, apple and cinnamon nut raisin.

In 1983, Sara Lee added three premium cheesecakes called Elegant Endings and two new pound cakes (raisin walnut and chocolate chip). The company continues testing Creative Cake Layers, its ready-to-assemble baked cakes, in various markets around the country.

Cake Layers is being supported by advertising tagged "Sara Lee bakes. You create" and "We do the hard part, she does the creative part," said Mr. Sharoff, who noted the product "looks very promising" for national rollout.

The company also continues its test of Sara Lee Super Premium ice cream, introduced in late 1982. About \$280,000 was spent on advertising in 1983.

Each of these new products is part of what Mr. Sharoff terms Sara Lee's efforts "to bring our product line more in sync with the consumer's sophistication while moving into new product areas."

In addition to Sara Lee, Consolidated's consumer foods segment includes Popsicle Industries, which joined with Nabisco Brands to introduce Oreo Cookies n' cream in half gallons, ice-cream sandwiches and chocolate-covered ice-cream bars.

During late 1983 tests, the Cookies

n' cream products were backed by an estimated \$6 million national advertising and promotion campaign and received instant consumer acceptance when rolled out nationally in early 1984.

Consolidated's other consumer foods divisions kept ad spending near 1982 levels. The five processed meat brands—Hillshire Farm, Bryan Kahn's, Rudy's Farm, Gallo Salame and Smoky Hollow—account for about half of the consumer food segment's sales and about \$6.8 million in 1983 measured media spending.

The frozen pies group, which markets Chef Pierre and Lloyd J. Harris brands, resumed advertising with 1983 spending of about \$504,000.

A substantial percentage of Consolidated's over-all ad spending supports its California-based Shasta Beverages division. In 1983, estimated Shasta executive vp James Fletcher, ad spending for Shasta and C&C soft drinks and Capri Sun fruit juices totaled about \$20 million—the division's highest-ever spending level.

Mr. Fletcher said he expects ad spending to rise another 15% in 1984.

Shasta's "I wanna pop" campaign for its regular canned soft drinks will continue through 1985, he said, with two or three new executions this year. "Consumer recall has been just spectacular," he said of the spots created by Needham, Harper & Steers, Chicago. The company spent more than \$5 million on Shasta measured network and local tv buys in 1983.

One of the division's key 1984-85 goals is improving its diet soft drinks. In January, Diet Shasta will be reintroduced with an aspartame/saccharin sweetening blend. Meanwhile, 100% d'Lite, a soft drink sweetened with 100% aspartame, has just moved into test in Kansas City, Omaha and Minneapolis.

The company's 100% d'Lite is not the only 100% aspartame soft drink on the market, Mr. Fletcher said, but the only multiflavored one available. (Flavors include cola, root beer, lemon/lime, orange, ginger ale and grapefruit.) Unlike the lower-priced Shasta brand, 100% d'Lite is sold at mainstream soft drink prices.

Advertising touts, "The end of the age of saccharin aftertaste." The tv, outdoor and newspaper campaign is being handled by Doyle Dane Bernbach.

Although Mr. Fletcher said national rollout of 100% d'Lite is "tentative as of yet," he said the company "will roll it out eventually."

In addition to 100% d'Lite, Shasta early this year introduced a seven-flavor line of all-natural soft drinks, Spree. Now in test in northern California, Ohio and Florida, low-sodium Spree is caffeine, preservative and artificial color-free. Advertising by Needham is tagged "Hit me with a Spree."

Targeted to adults 18 to 39, Spree's primarily citrus flavors offer "a more adult taste," Mr. Fletcher said.

He described these test products as supplements to the company's Shasta brands, which hold about a 2% share of the U.S. soft drink market. "There are enough positioning opportunities in the soft drink category," he said, "to hold these products, too."

Shasta's Capri Sun single-serving, foil-pack fruit juices still lead the market with a 33% share despite the rush of competitors. To reflect the market's growth and competitiveness, Capri Sun's measured ad spending jumped from about \$2 million in 1982 to \$5.6

million in 1983. Nearly 60% of the latter figure was spent on network tv buys, with about 27% going to spot tv and 14% to magazines.

Mr. Fletcher said that Capri Sun's primary audience is children 8 to 14. The company currently is working with Needham on three new Saturday morning tv advertising approaches to better appeal to that group of what he terms "twens."

Capri Sun has just begun testing a three-liter pouch in a box positioned as a direct competitor to the fruit juice category's 46-oz. cans.

Despite the excitement within its food and beverage segments, the bulk of Consolidated Foods' ad budget is devoted to its lines of women's hosiery and men's underwear.

During 1983, the Hanes Hosiery division extended its Underalls line with Coloralls, rolled out nationally last fall. Although Hanes vp-marketing Bob Simms said Coloralls received only about \$1.5 million in separate advertising dollars, the brand was supported in spots for the complete line of Underalls, Slenderalls and Winteralls. Hanes spent almost \$4 million in measured media buys for Underalls in 1983.

Mr. Simms estimated that, over-all, Hanes will spend about \$43 million in advertising and promotion in 1984. Some \$10 million of that will support this fall's national rollout of Fitting Pretty, a hosiery line designed for hard-to-fit sizes.

Scheduled to move into test this fall are Papillon, a premium price flanker brand positioned to compete with designer hosiery, which will receive tv and print support; Casuales, a line of Hanes women's socks advertised in print only, and Light Tights, which Mr. Simms said "will straddle the active/leisurewear category."

Hanes Knitwear, still No. 2 in the male underwear market, continued its successful "Inspector 12" print and tv ad campaign. The Knitwear division's ad budget, the company reported, doubled in fiscal 1984. Measured spending for the men's line was \$5.7 million in calendar 1983.

Consolidated's other major hosiery division, L'eggs, spent more than \$30 million in measured media in 1983. About 20% of this was spent on the national introduction of Active Support pantyhose.

L'eggs boosted media spending for Just My Size big and tall women's pantyhose to \$1.3 million in 1983 as it prepared to introduce the product nationally.

Measured media spending for the L'eggs flagship brand totaled nearly \$25 million during 1983—making it Consolidated Foods' largest single advertised brand.

Consolidated Food's Bali intimate apparel line has shown substantial sales growth, spurred by its continued introduction of successful new products.

In addition, through the acquisition of the Flexnit Co., Bali has been marketing for the past year Something Else Panties, a control panty; A-OK bras a line of specially designed bras for smaller busted women; Ce Soir, a line of sensual, European-inspired intimate apparel, and Something Smooth, a line of lycra daywear panties.

ADVERTISING EXPENDITURES*

	1983	1982
Newspapers*	\$17,245,000	\$9,035,000
Magazines	13,510,000	13,518,000
Spot tv	30,734,000	24,929,000
Network tv	54,806,000	59,275,000
Spot radio	4,050,000	3,223,000
Network radio	2,198,000	53,000
Outdoor	890,000	849,000
Total measured	113,433,000	110,882,000
Unmeasured	113,082,000	97,895,000
Estimated total	226,515,000	208,777,000

*Provided by Consolidated Foods for fiscal years ending in June.

**Includes preprinted inserts.

ADVERTISING EXPENDITURES†

	1983	1982
Newspaper	\$2,833,600	\$2,263,000
Magazines	16,671,700	13,412,900
Spot tv	17,076,600	17,898,500
Network tv	56,149,700	55,107,900
Spot radio	1,982,600	2,353,200
Network radio	2,551,600	1,224,400
Outdoor	251,100	232,800
Total measured	97,516,900	92,492,700
Unmeasured	98,341,100	85,514,200
Estimated total	195,858,000	178,006,900

†Calendar years from AA's usual sources



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CONSOLIDATED FOODS

Marketing Personnel

Charles Ostrander, vp-mktg, Aris Isotoner
Al Dold, vp-mktg, Bali Co.
John Lox, vp-mktg, Bryan Foods
Jack Thomas, senior vp-sales and mktg,
Chef Pierre

Patrick W. Tolbert, group vp-growth and
business devel, Electrolux Corp.
Robert McGurkin, director-household
mktg, Fuller Brush

Ron Dix, director-mktg, Gallo Sale
Robert E. Simms, vp-mktg, Hanes Hosiery
David L. Bryant, vp-mktg, Hanes Knitwear
Kirk Beaudin, vp-mktg, Hanes Printables
Walter Fabst, vp-mktg, Hillshire Farm Co.
James H. Stokes, vp-sales & key business
devel, Idaho Frozen Foods

Richard W. Dedden, mktg mgr-Kahn's
prods, Kahn's & Co.
Richard J. Sharoff, senior vp-genl mgr-
retail, Kitchens of Sara Lee
Charles F. Marcy, vp-mktg, Kitchens of
Sara Lee

Gerard Coelsch, vp-mktg, The Lawson Co.
John Piazza, vp-mktg, L'eggs Products
Robert Fraser, vp-mktg, Lyon's Restaurants
William R. Breakey, vp-director of mktg,
Popsicle Industries

David Llewellyn, vp-mktg, Rudy's Farm
James F. Fletcher, exec vp-operations,
Shasta Beverages
Arnold Seckler, president-ceo, Sirena Inc.

Advertising Agencies

Dancer Fitzgerald Sample, New York—
Hanes, Hanes Tool, Papillon, Light Tights,
Casuals—Harley Griffith, acct super; Sue
McClellin, acct super; Mary Lander, Cath-
erine Streich, acct execs. Bali—Tom Bohan,
exec vp-acct director; Dennis Keane, senior
vp; Jacqueline Ferrell, acct exec, Bali Brand;
John Grant, acct exec, Something Else;
Marianne Bess, acct exec, Bali, A-OK, Ce-
Soir; Barbara McKale, acct exec, Something
Else, A-OK, CeSoir. Popsicle—Mike Jeary,
vp-mgmt super; Marc Luchansky, vp-acct
super; Carey Field, acct exec. L'eggs—Mi-
chael Donahue, exec vp-acct director; Mi-
chael Leahy, senior vp-mgmt super.

Doyle Dane Bernbach, New York—100%
d'Lite—Michael Perkins, acct super.
Foote, Cone & Belding, Chicago—Sara
Lee (retail)—Dan Fox, senior vp; Scottie
Perry, acct super; Helen Johnson, Marilyn
Vender, acct reps.

Ketchum Advertising, New York—
Today's Girl—Don Burkett, acct super;
Caroline Moore, acct exec.

Ketchum Advertising, San Francisco—
Lyon's Restaurants—Steve Pickford, vp-
acct super.

Long, Haymes & Carr, Winston-Salem,
N.C.—Fitting Pretty—Don Van Erden, acct
super; Patrick O'Sullivan, acct exec.

Mandabach & Simms, Chicago—Sara Lee
(foodservice)—Lee Lippman, senior acct
super; Jim Flurry, acct super; Joy Mizell,
acct exec.

Needham, Harper & Steers, Chicago—
Shasta, C&C, Capri Sun and Spree—Ron
Bess, group acct director; Mary Conrad, acct
super—Shasta; Madeline Gryll, acct super
—Capri Sun; Martin Sherrod, acct exec—
Shasta; Brian Goodall, mgmt rep—Shasta
and Capri Sun; Mark Holtzer, mgmt rep—
Shasta.

Specht, Gilbert & Partners, New York—
Underalls, Slenderalls, Winteralls and Co-
loralls—Don Gilbert, president; Anne Kirk-
wood, acct super; Katie Ryan, acct exec.

Ally & Gargano, New York—Bryan (pro-
cessed meats)—Amil Gargano, president/
ceo/creative director; Bob Hume, senior vp-
mgmt super.

Maris West & Baker, Jackson, Miss.—
Bryan (canned meats)—Gerri Maris, pres-
ident; Henry B. Ford, vp-mktg.

The Richards Group, Dallas—Smoky
Hollow—Brad Todd, principal.
H.B.M. Creamer, Pittsburgh—Chef Pierre
—William E. Sprague, exec vp; Howard
Gittins, vp; Gary Ramey, acct exec.

W.B. Doner & Co., Baltimore—Bali corp
co-op advertising—David Sackey, senior
vp-acct director; Ellen Gordon, acct super;
Deborah Goetz, acct services.

Young & Rubicam, San Francisco—Gallo
Salame—Skye Hallberg, vp-mgr; Andrea Al-
fano, acct exec.

Cooper Jenner Stafford, Waterloo, Ia.—
Hillshire Farm—Jim Stafford, vp.
Sive Associates (div of Young & Rubi-
cam) Cincinnati—Kahn's—Phil Mandel,
vp-mktg planning; Susie Perkins, acct exec.

Long Haymes & Carr, Winston-Salem,
N.C.—Hanes Knitwear—Loren Chamber-
lain, exec vp.

Henderson Advertising, Greenville, S.C.—
Hanes Printables—Ralph Callahan, pres-
ident-acct services director; Hayward Whet-
sall, vp-mgmt super.

Holt Enterprises, Greensboro, N.C.—
Hanes Printables—Jim Houghtaling, pres-
ident; Leta Pittman, graphics designer.

Bill Hudson & Associates, Nashville—

Rudy's Farm—Nick Damico, acct exec; Bill
Hudson, acct exec.

Brooks-Pollard, Little Rock, Ark.—
Rudy's Farm (foodservice)—Hugh Pollard,
president.

Woods Creative Group, Kansas City—
R.B. Rice—Nancy Pope Krull, vp.

Adolph Coors Co.

	1983	1982
Sales*	\$1,110,406,000	\$915,258,000
Earnings*	\$9,261,000	\$8,148,000
U.S. Advertising	\$3,621,300	\$3,639,700

*Worldwide

Adolph Coors Co., Golden, Colo.,
the 93rd largest national advertiser
with advertising expenditures esti-
mated by ADVERTISING AGE at \$63.6
million in 1983, continues an aggres-
sive expansion program in its efforts to
become a national brand by the end of
the decade.

Expansion was the central focus of
Coors and Coors Light throughout
1983, as the company stretched into
six southeastern states—Alabama,
Georgia, Florida North and South
Carolina, Virginia—and the District of
Columbia. By the end of 1983, Coors'
distribution encompassed 28 states.

The company's income in 1983
mushroomed a staggering 122%, to
\$89.3 million, on sales of \$1.11 billion,
up 21%. Over-all production for the
company was 13.7 million bbls., 15%
higher than in 1982, a year in which
total bbls. dropped 10.5% below 1981.

"These expansion efforts are the re-
sult of being able to run this place full
out," said Rob Klugman, vp-market-
ing.

The expansion helped bolster sales
that had dropped in 1982 because of a
significant loss of market share in
Texas and California.

During the Coors' heyday of the
mid-1970s, it boasted a 40% share of
market in California and a 29% share
in Texas.

Currently, Mr. Klugman said, the
company has only a 15% to 20% share
of market in both states. The company
said it believes its market share has
stopped eroding.

Over-all advertising at Coors during
1983 increased about 30%, as did mea-
sured advertising for Coors beer,
climbing from \$13 million to \$16.9
million, according to LNA.

Advertising spending for Coors
Light beer nearly doubled, to \$10.1
million from \$5.8 million.

Golden Lager was allotted \$395,000
for its introduction into selected mar-
kets, and Herman Joseph's 1868 in-
creased marginally to \$809,600, from
\$803,000.

George Killian's Irish Red Ale,
which received \$2.1 million in mea-
sured media in 1982, got only
\$556,800 in 1983. Coors, however, in
mid-August, 1984, unveiled a multi-
million-dollar ad campaign for Irish
Red aimed at the "yuppy" consumer
(young, upwardly mobile college-edu-
cated audience) in Coor's 20-western-
state primary market.

Irish Red beer will be distributed in
Alaska, Virginia, North Carolina and
South Carolina for the first time and
expanded into areas of Florida and
Tennessee.

"The best of the Rockies is here" has
heralded the introduction of Coors and
Coors Light into its new markets over
the past two years. Subsequently,
Coors was promoted under the "best
of the Rockies is yours" throughout
the company's entire marketing area.
Coors Light was promoted under
"Turn it loose."

After moving its Coors Light ac-
count from Ted Bates Advertis-
ing/New York to Foote, Cone & Beld-
ing, Chicago, in 1982, the company
moved its Coors, George Killian's and
Herman Joseph's from Ted Bates to
FCB in 1983.

Herman Joseph's was moved in
1983 to J. Walter Thompson USA,
Chicago, where the "We make the best

of time" campaign will continue.

Initially, FCB handled only the east-
ern rollout for the Coors beers as a spe-
cial project, but then won the national
business because the company liked
the introductory "Best of the Rockies."

In 1984, Coors already has ex-
panded into Alaska, North and South
Dakota, Wisconsin, Ohio, Maryland
and West Virginia—for a total of 35
states.

Such rapid growth over the past two
years has been "taxing," Mr. Klugman
said. Despite the widespread accep-
tance of Coors and Coors Light, the
entries of the company's other prod-
ucts into the market have not been so
stellar.

Nevertheless, the three brands con-
tinue in test markets, albeit with
"mixed results," Mr. Klugman said.

The company's domestic George
Killian Irish Red Ale, which has been
on the market since 1981, is being re-
positioned this year to compete more
directly with the import beers. Its cur-
rent campaign, by FCB, proposes "Kil-
lian's Red, Instead..." of great
tied beers from abroad.

Coors is hoping that its new pre-
mium-price brew, Golden Lager—int-
roduced into the market in 1983 with
a campaign tagged "The Fresh Compe-
tition" by Tatham-Laird & Kudner,
Chicago—will attract drinkers who
don't buy Coors Premium and Coors
Light, both lighter-tasting beers.
Golden Lager has a much heavier taste
and is priced directly against An-
heuser-Busch's Budweiser.

Despite the disappointing reception
of Coors new beer products, other new
products are to follow.

Coors hints it is considering a low-
alcohol beer, but hedges on details.
"Everybody has worked or is working
on a low alcohol beer, but it is just not
yet clear that it will be profitable," Mr.
Klugman said. "It's had good distribu-
tion and good trial, but it has not
shown strong repeat."

However, he said, "Everyone is

How to extend your reach in Houston.
Without extending your budget.

When you use The Houston
Chronicle as your primary
medium in conjunction with a
TV buy, you're getting the
most for your advertising
dollar. Because you're
increasing your reach. Without
increasing your costs.

aware that it is a possibly strong emerging segment."

As Coors continues its expansion, industry observers contend it has yet to face a decided disadvantage over the majors. Coors has only one brewery—in Colorado—while the other beer majors operate a brewery in the Sunbelt.

Analysts estimate that costs of shipping from Colorado into the Southwest is \$7 to \$8 per barrel, compared with a normal \$3-per-barrel cost. While Coors officials dispute those figures, they say that, for the moment, shipping by rail is satisfactory. In the event it decides to build a second brewery, Coors continues to hold an option on land aptly located in Rocky Mountain, Va.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$1,028,200	\$1,154,500
Magazines.....	28,500	305,600
Spot tv.....	20,824,400	14,321,200
Network tv.....	9,746,300	7,069,400
Spot radio.....	21,578,000	8,998,000
Outdoor.....	615,900	451,100
Total measured.....	53,021,300	32,200,600
Unmeasured.....	10,600,000	6,439,900
Estimated total.....	63,621,300	38,640,500

ADOLPH COORS CO.

Marketing Personnel

Peter Coors, div president of sales, mktg and admin
Bob Recholtz, exec vp-sales and mktg
Rob Klugman, vp-mktg
Gary Truitt, director-mktg devel
Tom Siefkes, director-mktg services
Gary Naif, Coors brand director
Bob Fox, Coors Light brand director
Bob McBride, Golden Lager brand mgr
Mark Stankovic, Herman Joseph's brand mgr
Jon Runge, George Killian's brand mgr
Karen Jess-Lindley, mktg devel mgr
Mark Reiss, director of corp media
Bob Joanis, director of mktg rich

Advertising Agencies

Foot, Cone & Belding, Chicago—Coors, Coors Light, George Killian's, and expansion—Bill Melzer, senior vp-group mgmt super; Dale Smith, vp-mgmt super, Coors; Jim Gregg, vp-mgmt super, Coors Light; Lisa Baum, vp-mgmt super, George Kill-

ian's; Kent Vlautin, vp-associate media director; Mike Rogers, senior vp-exec creative director.

J. Walter Thompson USA, Chicago—Herman Joseph's and new prods—Will Howard, vp-act director; Mike Kalasunas, senior vp-director of rsch and planning; Tom Hall, senior vp-group creative director; Dan Roman, vp-senior acct super.

Tatham-Laird & Kudner, Chicago—Golden Lager and new prods—John Wells, senior partner-group acct director; Bill Ross, chief operating officer-mgr partner; Kirk Vorland, senior partner.

GSD&M, Austin, Tex.—Hispanic markets—Steve Gurasich, president; Kim Gaynor, exec vp; Chuck Grady, senior vp.

Cosmair Inc.

	1983	1982
Sales.....	\$400,000,000	**\$400,000,000
Earnings.....	N/A	N/A
U.S. Advertising.....	69,955,000	47,639,000

*Worldwide **Estimated combined sales of Cosmair and Warner

Cosmair Inc., New York, which plans to double its advertising in 1984, increased ad expenditures 46.8%, to \$70 million, in 1983 to rank as the 87th largest national advertiser.

In business and marketing news, 1983 was the year of the merger and the year of the mousse, and Cosmair scored banner headlines on both counts.

The privately held U.S. agent and distributor for L'Oreal and Lancome cosmetics dramatically broadened its reach across the domestic cosmetic counter with the purchase of Warner Cosmetics, a subsidiary of Warner Communications. And Cosmair was first to introduce a mass market hair-styling mousse to domestic consumers, getting a lead in that new category that competitors continue to run hard to beat.

Cosmair purchased Warner Cosmetics in January, 1984, for \$146 million and in doing so bought a significant and ready-cut niche in the U.S. cos-

metic marketplace.

In 1983, Cosmair's sales reached \$330 million in the U.S. Warner sales grew to about \$150 million for the year. Combined, the two present a formidable challenge to 1983 industry leaders Avon, with an estimated \$850 million in sales; Revlon, with about \$800 million in domestic sales, and Estee Lauder, with about \$550 million.

The Cosmair-Warner combination is expected to draw as much as \$600 million in sales for 1984, much of the growth attributed to three major product thrusts in the past year supported by record ad budgets for the company.

In L'Oreal brand activity, the bulk of advertising and marketing money was placed behind L'Oreal eye, lip and nail color cosmetics, \$17.2 million, up from \$7.7 million in 1982, and Preference hair color products, \$7.9 million, the same as 1982.

Projected advertising for those two products and sizable outlays for L'Oreal's new Free Hold styling mousse introduced in February will generate over-all media ad spending of \$45 million in 1984, compared with the \$30 million in measured media in 1983 as monitored by Leading National Advertisers. L'Oreal also is spending heavily in tv on lipstick and eyeshadow in 1984, a pace to continue into 1985 when L'Oreal will add a new mascara commercial.

Cosmair expects to increase the \$45 million expenditure "substantially" in 1985 as well, though not by the same 50%, the source said.

In the past year, the two-year-old L'Oreal color cosmetics line was repackaged and restaged with a cohesive department store-style packaging and advertising look as opposed to the previous drugstore line appearance.

Free Hold styling mousse, the first mass market mousse in the U.S., was introduced originally in one formula but quickly was expanded to two styles—regular and extra hold—to remain competitive in a market suddenly

flooded by entries from aggressive competitors such as Alberto-Culver and Helene Curtis.

The Lancome brand of color cosmetics will spend more than \$20 million on advertising in 1984, a company spokesman said. The measured media buy for the brand in 1983 was \$7.5 million, an increase of 60% over 1982. That budget is expected to increase at least 25% and include tv advertising for Nutribel, Progres Plus, Forte-Vital (launching this fall) through 1985.

Lancome also will spend an undisclosed amount on the scheduled March, 1985, introduction of a new Biotherm brand of treatments for body and face.

Biotherm has been marketed in Europe for several years and will be positioned in the department store-style packaging in the U.S., Cosmair said. Kenyon & Eckhardt of New York will handle the new product introduction.

From Warner in 1984 came the introduction of the Paloma Picasso fragrance bearing the name of the daughter of the Spanish artist. Warner anticipated spending at least \$1.3 million in 1984 advertising the new product, which sells for as much as \$160 an ounce.

Further activity in fragrances are expected to include introduction of a new Ralph Lauren men's fragrance. Total advertising on Ralph Lauren, Polo and Vanderbilt brand cosmetics and fragrances topped \$9.5 million in 1983.

As a result of the Warner acquisition and other developments, a major corporate staff reorganization by Cosmair was scheduled to be announced in early September.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$665,100	\$103,100
Magazines.....	15,264,700	8,155,700
Spot tv.....	4,707,300	4,097,900
Network tv.....	23,084,600	17,438,000
Total measured.....	43,721,700	29,786,700
Unmeasured.....	26,233,300	17,872,300
Estimated total.....	69,955,000	47,659,000

Advertising Agencies

Intermark New York—Lancome color cosmetics—Tim Sullivan, mgmt super.
McCann-Erickson, New York—L'Oreal—Fred Rhines, senior vp-mgmt rep.
Kenyon & Eckhardt, New York—Biotherm—Carl Stuber, acct super.

CPC International

	1983	1982
Sales.....	\$4,016,000,000	\$4,091,500,000
Earnings.....	136,200,000	231,609,000
U.S. Advertising.....	96,627,300	96,700,000

*Worldwide

Although CPC International's earnings plunged during 1983, advertising expenditures remained fairly constant at the Englewood, N.J.-based conglomerate, which spent an estimated \$96.6 million on advertising in 1983. That made it the 71st largest national advertiser. Worldwide advertising was \$181.5 million.

Worldwide sales dipped slightly to \$4.011 billion from \$4.092 billion in 1982, a decrease of 2%. CPC attributed the decline to a strong dollar. Sales outside the U.S. are \$2.486 billion, or 62% of total sales.

Earnings, which plummeted 41% from \$231.6 million in 1982, to \$136.2 million, also were hurt by the currency exchange rates. But CPC's decision to rebuild two of its major manufacturing facilities, a corn wet milling plant in Argo, Ill., and a mayonnaise and other oil-based product plant in Bayonne, N.J., resulted in a \$55 million after-tax charge. This was the major factor in the company's drastically reduced earnings. CPC's sales and earnings were affected less dramatically by dollar losses in corn wet milling, one of its major business lines.

The grocery products area, which includes soups, sauces and bouillons, mayonnaise and corn oil, bread spreads and starches, syrups, desserts, cheese, baking and other goods, accounted for 58% of the company's

Houston Chronicle

Houston's Family Newspaper

M Morning
B a
E Evening

25 Cents

Vol 82 No 22

As an example, your one-week, \$25,000 local affiliate spot TV buy reaches 64% of men 25-54 in \$35,000+ households. Now take that same \$25,000, put half into The Chronicle, half into television.

You've just increased your reach to these affluent

men to 77%. You've also increased your frequency by 15%. You've gained 65 GRPs—an increase of almost 40%. And you haven't spent one penny more.

If you'd like a detailed media comparison, call Ralph Harrington, Research Manager, collect at 713/220-7401. And find out how The Chronicle can deliver for you in Houston.

Houston Chronicle
The primary advertising investment.



Source: Belden Multi-Media Study, 1983. Based on 26 30-second spots on local network affiliates, BAR estimates, versus three SAU 12 1,000-line Chronicle ads at 25,000-line national contract rate plus 15 30-second spots. Represented by Sawyer Ferguson Walker.

sales and 77% of operating income. Keeping with the trend of past years, sales growth of foodservice products for restaurants, hotels, schools and other establishments outpaced sales of products for home use.

CPC is the largest corn miller in the world, producing a wide range of products used by paper, corrugating, confection, processed foods, chemical and pharmaceutical, baking, brewing and soft drink industries.

While dollar sales from CPC's corn wet milling business dropped to \$1.5 billion in 1983, a decrease of 1% from 1982, the unit sales increased. Worldwide income from this segment of the business dipped to \$90 million, one-third lower than the previous year.

As part of its effort to rebound after 1983's difficult year, CPC is upgrading its production facilities, broadening its two major lines of business through acquisitions and restructuring the company, forming eight new divisions, including a worldwide division for corn wet milling, a diversified unit that includes U.S. businesses in chemicals, foundry products and contract packaging, and six divisions for grocery products—set up according to geographic regions.

In 1983, CPC made four acquisitions, including one that will have an impact on its grocery products area and its U.S. marketing and advertising expenditures. CPC acquired C.F. Mueller Co. (pasta products) last fall from Foremost McKesson Corp. for \$122 million. CPC hopes to take Mueller from its East Coast base into the national market.

The other acquisitions included one in the corn wet milling area, a grocery business in Denmark and one in Colombia.

CPC's products aimed at the home market garner the major share of the company's ad dollars. CPC's Best Foods business features many strong branded products, including Skippy peanut butter, Mazola corn oil, Karo

corn syrup and Hellmann's and Best Foods mayonnaise. These products, in competitive areas, carry heavy ad expenditures.

Mazola oil was backed by slightly more than \$10 million in measured advertising, with more than \$7 million spent on network tv. Hellmann's and Best Foods mayonnaise were backed with nearly \$8 million in measured spending, with nearly three-fourths of that figure going to network tv. The ads for Hellmann's sought to reinforce the product's value and quality as well as explain its multiple uses. This message also was carried in print advertising for the mayonnaise, which carried photos of different potential uses of the product and recipes.

Sales of Skippy peanut butter held with 1982's levels and ad expenditures were similar with 1982 levels, as well. CPC spent about \$6.9 million advertising Skippy, stressing its nutritional value and its low sugar content.

CPC's specialty baking business in the U.S., S.B. Thomas Inc., experienced a 5% increase in sales as it continued to expand distribution and production of its English muffins. Ad expenditures for Thomas' remained flat, at 1982's level of \$7 million. However, \$10 million has been budgeted for 1984.

In 1983, CPC ran tv spots using the slogan "the original one and only funny looking, tasty cooking Thomas' English muffins" in spot tv as the distribution of Thomas' expanded from 53% of the U.S. to 70%. New markets were in the Northwest, Midwest and Florida.

During the year, CPC increased its use of spot tv, newspapers and outdoor media, but expenditures on network tv and magazines decreased.

Measured expenditures on spot tv rose 15%, to \$15.5 million, and newspapers rose 13%, to \$965,700. Both these increases are seen as part of CPC's efforts to be more responsive to local markets.

Expenditures on outdoor advertising soared to \$1.1 million in 1983, more than twice the amount spent the previous year; magazine spending dropped 22.8%, to \$7.9 million.

CPC changed agencies for several of its major products, moving the Hellmann's/Best Foods mayonnaise account from Dancer Fitzgerald Sample to Ogilvy & Mather, and switching the Mazola corn oil account to DFS from D'Arcy McManus Masius.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$965,700	\$854,200
Magazines.....	7,906,500	9,191,200
Spot tv.....	15,544,800	13,544,500
Network tv.....	21,468,600	23,468,500
Spot radio.....	126,200	81,800
Outdoor.....	1,100	460,500
Total measured.....	46,212,900	47,597,700
Unmeasured.....	39,414,400	49,162,300
Estimated total.....	85,627,300	96,760,000

BEST FOODS

Marketing Personnel

David R. Newstadt, president
Richard Miller, vp-prod mgmt
Robert O. Herman, vp-sales
Jean Burtis, consumer service director
Dennis C. Beaumont, director-adv and promo

Advertising Agencies

Dancer Fitzgerald Sample, New York—Mazola corn oil, Skippy peanut butter, Mazola margarine, Golden Griddle syrup, Karo syrups, Argo corn starch, and Mazola No Stick—George Dean, mgmt director; John Kaiser, mgmt super; Oliver Payne, Bill Champion, Peter Mitchell, acct supers; Orson Munn, Andy Bonaparte, Mona Kornfield, acct exec.

Ogilvy & Mather, New York—Hellmann's/Best Foods mayonnaise, Mueller's pasta products and new products—David Weiss, senior vp-group director; John Fitzgerald, vp-mgmt super; Natasha Kavanagh, acct super; Connie O'Brien, acct exec.

S.B. THOMAS INC.

Marketing Personnel

Michael W. Hogarty, president
Nina Henderson, vp-prod mgmt
Octavian S. Pechar, group prod director
Michael Lebo, senior prod director
Robert Anderson, vp-sales

Advertising Agencies

Young & Rubicam, New York—Thomas' English muffins, Toast-r-Cakes and Protein Bread—John Glorieux, mgmt super; Richard Kahn, acct super.
Dancer Fitzgerald Sample, New York—Sahara bread—Richard Pounder, acct super; Andy Mockler, acct mgr.

SPECIAL PRODUCTS

Marketing Personnel

Albert A. Witz, president
J.F. Marino, director-sales
K.A. Pirnat, natl acct mgr
B.D. Hillenbrand, mktg mgr
Advertising Agency
Warwick Advertising, New York—Kyle Felt, acct super.

BEST FOODS CARIBBEAN

Plinio Gonzales, president
Jaime Pericas, vp-mktg
J.F. Tonarely, vp-sales

Advertising Agency

Premier Maldonado, San Juan, P.R.

CORN PRODUCTS

Marketing Personnel

Fred C. Meendsen, president
R.W. Spazth, vp-sales, mktg business mgmt
Rosemarie A. Burns, mgr-adv and sales promo

Advertising Agency

Gianettino & Meredith, Mountainside, N.J.—Marc Grossberg, acct exec.

Dart & Kraft

	1983	1982
Sales*.....	\$9,714,000,000	\$9,974,000,000
Earnings*.....	435,100,000	380,300,000
U.S. Advertising.....	210,279,360	199,195,000

*Worldwide

Dart & Kraft, the nation's 30th largest advertiser in 1983, increased ad spending to \$210.3 million, up 5.6% from 1982.

The company had 1983 net earnings of \$435.1 million, up 24.2%, on sales of \$9.714 billion, a decline of 2.6%. D&K again was dominated by its food products segment, which accounted for 69% of Dart & Kraft sales and 58% of operating profit.

For the second year in a row, Kraft's most heavily advertised food brand was Velveeta cheese. The processed cheese line, promoted in ad campaigns as having superior cooking qualities, received \$15 million in measured ad support in 1983, less than a 1% increase over 1982.

The U.S. government's free cheese

distribution program cut into Kraft cheese sales by reducing consumer purchases, the company said. The program, which gave away more than 350 million lbs. of cheese during the year, reduced total industry tonnage by more than 3%.

Kraft extended its cheese lines with the acquisition of Churny Co., an importer and producer of specialty cheeses with annual sales of \$20 million. The acquisition signaled Kraft's entrance into the specialty cheese business, a high-growth market segment.

The company continued to expand its line of Philadelphia Brand pourable dressings, which were introduced nationally in early 1983. Philadelphia Brand cream cheese salad dressings received \$5.6 million in measured ad spending, up from \$560,400 in 1982, with the largest amount of ad dollars going to spot tv.

Kraft also increased its ad spending 18% for regular Kraft pourable dressings, to \$10 million. The dressings hold an estimated 70% market share, said analyst Leonard Teitelbaum at Merrill Lynch.

After consumer research showed a preference for bacon-flavored dressings, Kraft expanded its line in early 1983 with Creamy Bacon, Buttermilk & Bacon and Reduced-Calorie Bacon & Tomato dressings. The latest introductions to the pourable dressings line are Kraft Thousand Island & Bacon and Taco salad dressings, introduced in early 1984.

Advertising for Kraft real mayonnaise spread the word about the "creaminess" of the product, which was supported by \$8.5 million in ad spending, up 2.7% from 1982. Market share for 1983 was about 60%.

The company boosted ad spending for Miracle Whip salad dressing 39.4%, to \$12.2 million. "A sandwich just isn't a sandwich without the tangy zip of Miracle Whip salad dressing" was the theme of the advertising, which was concentrated in network and spot tv. The company also supported the product with a Miracle Whip salad dressing contest and a mail order promotion.

A 1984 addition to the fast-growing Kraft barbecue sauce line was Thick 'n' Spicy barbecue sauce, in original and hickory-smoked flavors, which is "spicy right out of the bottle and thick, both before and after cooking," the company said. Ad spending for Kraft barbecue sauce rose from \$113,400 in 1982, to \$1.8 million in 1983.

Kraft introduced its Light 'n' Lively low-fat yogurt in a convenient six-pack in 1983. The entire Light 'n' Lively yogurt line was supported by \$1.4 million, up 27%, in measured ad spending, all of which went to spot tv. The new six-pack yogurt line continues the dairy group's emphasis on value-added products. Breyer's yogurt, playing on the strong Breyer's quality image, received \$1.4 million in media spending, the same as in 1982.

Kraft dairy group also continued market expansion for ice cream and cultured products. Breyer's ice cream, a premium brand, attracted \$3.4 million in media spending, up 10% from 1982. Sealtest ice cream also is being elevated to premium status, and received \$3.5 million in media backing in 1983, up 21%.

In the first quarter of 1984, Kraft entered into an agreement to acquire Celestial Seasonings of Boulder, Colo., the largest U.S. manufacturer and marketer of herb teas. Kraft said the product quality and brand strength of the Celestial Seasonings line fits Kraft's strategy to acquire companies with expansion potential. Purchase price was not disclosed. Kraft said it will operate the tea company as a free-standing unit of its retail food group.

Early 1984 saw the loss of Justin Dart, executive committee chairman of Dart & Kraft. He died Jan. 26 at the age of 76. Mr. Dart was chairman of Dart Industries when that company merged with Kraft in 1980. He had served the company as a director for more than 40 years.

A leader in innovative media use, Kraft this spring tested the first interactive tv commercials in a network show, using Warner Amex Cable Com-

munications' Qube cable system in Columbus, O. Homes subscribing to Qube received four 90-second test commercials for Kraft: recipes, carrying a superimposed message instructing viewers to "touch in" for a copy of the recipes.

Dart & Kraft's consumer and commercial products group, made up of Duracell Inc., Hobart Corp. and West Bend Co., posted a sales increase of 16% and an operating profit increase of 43% for fiscal 1983.

Duracell Inc., the leading producer of high-performance consumer batteries worldwide, continued strong ad spending support for the Duracell batteries line, which received \$20.6 million in ad dollars, \$17.5 million of which was in network tv. Duracell holds a 60% share of the U.S. alkaline battery market. It is in constant battle for market share with Union Carbide's Eveready batteries. D&K's \$20.6 million in measured media for Duracell in 1983 was the same as in 1982. The Eveready line was being backed by \$22.4 million in measured spending at Union Carbide.

Duracell's Durabeam line of portable lighting products, introduced in early 1983, was supported by \$2.3 million in ad spending, mostly in network tv.

Hobart's KitchenAid segment accounted for 23% of total 1983 Hobart sales. Ad spending for KitchenAid dishwashers was \$4 million in 1983, a 5.3% increase over 1982. KitchenAid food mixers were supported by \$273,000 in ad spending in 1983, all of which was in magazines, and ad support for KitchenAid food processors was boosted 209%, to \$645,800. KitchenAid introduced in 1983 its first solid-state dishwasher, the KDSS-20 Selectra, targeted at the upscale segment of the market.

West Bend Co., widening its focus to include physical fitness, acquired the Total Gym line of home physical fitness equipment in 1983. West Bend also announced an agreement to acquire Precor Inc., a manufacturer of premium line rowing machines, exercise bicycles and running machines.

West Bend's sales and operating profits declined, due in part to withdrawal from the retail cookware and humidifier business, the company said. A new cordless iron is being introduced by West Bend and is expected to be available in retail outlets in the fourth quarter of 1984.

Tupperware International, Dart & Kraft's direct-selling unit, reported a decline in both sales and operating profit in 1983, results affected by exchange rate translations and a reduction in U.S. dealers. Ad spending for Tupperware housewares increased 62.1%, to \$3.9 million, mostly in magazines.

The Tupperware Modular Mates line of compact, stackable containers, introduced in 1983, became Tupperware's largest-selling line. New products included Big Wonders and Little Wonders storage containers, Flavor Saver container and Velveeta Keeper. In the spring of 1984, Tupperware launched a consumer sweepstakes contest designed to boost Tupperware party attendance.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$7,066,900	\$6,976,300
Magazines.....	33,219,400	26,110,300
Spot tv.....	42,935,100	64,277,000
Network tv.....	87,414,800	61,743,600
Spot radio.....	1,813,900	3,426,700
Network radio.....	3,161,100	977,000
Outdoor.....	31,500	59,300
Total measured.....	175,232,800	163,576,200
Unmeasured.....	35,046,500	35,625,600
Estimated total.....	210,279,360	199,195,800

DURACELL INC.

Marketing Personnel

William S. Saint, vp-mktg and devel
Kevin J. Kelley, group prod mgr
Mark E. Lucas, prod mgr-US brands
Leonard Black, mkt & planning mgr, intl

Advertising Agencies

Ogilvy & Mather, New York—Duracell batteries—Rick Eatabrook, acct super.

Jordan, Case, McGrath-Durabeam lighting products, Breakfree lubricant, Rob Moorman, acct super.

HOBART CORP.

Commercial Equipment Division

Charles F. Farrell, vp-mktg
John C. Heithaus, director-mktg services
William F. Lohrer, mgr-adv

People performs

"People helped make Stetson the big success of the '80s."

—Joseph M. DiPietro
Group Marketing Director
Coty Division/Pfizer Inc.

Advertising Agency
Willis, Case, Harwood-Dayton, O.—
Lewis Bonadies, acct super.

KITCHENAID DIVISION

Charles R. Evans, vp-mktg
Walter C. Layton, mgr-adv
Ray D. Frey, mgr-sales promo

Advertising Agency

N W Ayer, New York—Mark Bollman, senior vp-mgmt super; Anita Stewart, vp-acct exec; Peter Morris, account exec.

TUPPERWARE

Jon Nelson, vp-mktg
Jack Linn, vp-adv and pr
David Haan, director-adv and mktg strategy
Bill Clark, director-adv
Jerry Lake, vp-sales promo
Mayee Leung, director-sales promo

Advertising Agency

Young & Rubicam, Chicago—Bill Flynn, vp, director-mktg.

WEST BEND CO.

Ron Carson, director-adv

G.H. Miller, vp-mktg

KRAFT DAIRY GROUP

Marketing Personnel

Thomas Herskovits, group vp-president

Robert Creighton, vp and director-mktg

Advertising Agencies

N W Ayer, New York—Sealttest ice cream, sherbet, and Polar B'ar ice cream squares, Breyers yogurt—Ruth Salevouris, senior vp-exec acct director.

Geers, Gross, New York—Breakstone cottage cheese, sour cream, dip; Light n' Lively yogurt, cottage cheese and ice milk—Joseph Carlucci, vp.

Hispania Advertising, New York, subsidiary of J. Walter Thompson USA—Hispania and multi-product adv—Caroline Demy, senior vp-genl mgr.

Young & Rubicam, New York—Breyers ice cream—William Green, senior vp-mgmt super.

KRAFT RETAIL FOOD GROUP

Marketing Personnel

H.K. Ridgway, group vp and president—

Retail Food Group

J.P. Dunett, exec vp-mktg
J.L. Barfoot, vp-director, broker and headquarters sales

J.R. Blocki, vp-director, adv/mktg services

L.P. Stanek, vp-director, mktg decision support services

H.H. Roberts, J.S. Craig, vps-mktg grocery prods

R.S. Morrison, vp-director, refrigerated prods

D.W. Blue, vp-mktg, refrigerated prods

Advertising Agencies

N W Ayer, Chicago—A la Carte main dishes, La Creme whipped topping—Leslie Carothers, vp-group acct super.

N W Ayer, New York—agency of record Kraft Inc. Spot tv pool—George Borrow, vp.

Foot, Cone & Belding, Chicago—confections, marshmallows, marshmallow creme, sauces and toppings, packaged dinners, youth program; agency of record for fringe/children's network tv; new prods—

James C. Masani, group mgmt super; Terri Shapiro, account super.

Hispania Advertising (JWT USA subsidiary), New York—Hispania and multi-product adv—Caroline Demy, senior vp-genl mgr.

Leo Burnitt Co.—Velveeta loaf/slices—William Smith, exec vp-client service; Brian Williams, vp-acct super.

Needham, Harper & Steers/USA, Chicago—margaritas, jellies and preserves, mustard, Philadelphia brand pourable dressings; agency of record for daytime network—Jack Cypher, group acct director; Kathie McKirdy, mgmt rep.

Proctor & Gardner, Chicago—black consumer mktg, multi-prod adv—Rolf Koloman, vp-account super.

J. Walter Thompson USA, Chicago—cheese, viscous and pourable dressings, food service advertising; agency of record for prime time/specials network—Richard McCullough, senior vp-acct advisor; Bruce Beach, senior vp-group acct director.

Delta Air Lines

	1983*	1982*
Sales*	\$3,616,413,000	\$3,617,523,000
Earnings*	(86,700,000)	20,814,000
U.S. Advertising	63,944,300	49,328,000

*Worldwide, fiscal years ended June 30.

Delta Air Lines, Atlanta, the 92nd largest national advertiser, increased its ad spending 29.6% in 1983, to an estimated \$63.9 million.

Sales for the carrier were down slightly in 1983, to \$3.6 billion, while earnings tumbled deep into the red, showing the first loss for the airline in its 36-year history. Long known for its ability to best archivals in financial performance, the carrier finally succumbed to the effects of unfriendly skies.

Although passenger traffic in fiscal 1983 was up 7%, stiffened competition, a soft economy in the first half of that fiscal year, and severe discounting took a serious toll on the carrier's balance sheets.

For fiscal 1984, however, the company showed signs of returning to its historic health.

Last October, to fend off further losses attributed to the poor economy, deeply discounted fares and increased competition, Delta sought to reposition itself in the marketplace with a major new advertising campaign by BDA/BBDO.

Delta has come under increasing competitive pressure in the West from Continental Airlines and the rebirth of Braniff Inc. To some observers, it

seemed the design of the campaign partially was to play off the instability of archival Eastern Air Lines, based in Miami.

The effort, which marks Delta's first extensive use of network tv, emphasizes its financial health, excellent maintenance record and uninterrupted system-wide flight operations. Although Delta's marketing venture has led industry observers to label the airline a conservative carrier—the new campaign is hard-hitting. And in addition to addressing newly reorganized competitors, it also takes on expanding regional airlines, such as Southwest Airlines.

In route improvements, Delta stepped up flight schedules from Dallas/Fort Worth and D/FW feeder markets, adding service to such cities as Portland, Ore.; El Paso, Tex.; Ontario, Cal.; Richmond, Va.; Albuquerque, N.M., and Norfolk/Virginia Beach/Williamsburg.

Additionally, it continued to add nonstop flights to 15 existing markets. From the Dallas/Fort Worth area, Delta increased its flights to a number of cities, including New York's LaGuardia, Austin, San Antonio, Kansas City, Oklahoma City and wide-body service to Houston. Additionally, the company introduced nonstop flights to Frankfurt, West Germany, from D/FW four times a week.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers	\$31,810,000	\$24,664,000
Magazines	1,977,200	790,200
Network tv	2,682,500	—
Spot tv	8,226,700	6,978,900
Spot radio	15,309,100	11,746,500
Outdoor	1,768,100	1,854,400
Total measured	60,793,600	46,042,600
Unmeasured	3,150,700	3,285,400
Estimated total	63,944,300	49,328,000

Marketing Personnel

J.A. Cooper, senior vp-mktg
R.A. McKinnon, vp-mktg
W.W. Hawkins, asst vp-mktg
J.N. Porter, director-adv and sales promo
W.M. Soph, mgr-adv

Advertising Agency

BDA/BBDO, Atlanta—Gleann Verrill, president, mgmt super; Jack Walz, vp-acct super; Al Boam and Jody Brown, vps-acct execs; Gail Waldrop, acct exec.

Du Pont

	1983	1982
Sales*	\$35,378,000,000	\$33,331,000,000
Earnings*	1,127,000,000	994,000,000
U.S. Advertising	102,637,000	92,912,000

*Worldwide

E.I. du Pont de Nemours & Co., Wilmington, Del., which posted \$1.13 billion in net income in 1983, up 26% from 1982, was the nation's 67th largest advertiser with total estimated advertising expenditures of \$102.6 million, a 10.4% increase over 1982.

Du Pont returns came from sales of \$35.4 billion worldwide, 73%, or \$25.8 billion of which, is in U.S. business. Total sales increased 6% over 1982, while U.S. sales were up 10%.

For the year, five of the company's eight industry segments experienced

an increase in sales: Marketing and transportation rose 11.3%, to \$16.8 billion; fibers jumped 15.2%, to \$4.7 billion; industrial and consumer products rose 2%, to \$2.54 billion; polymer products rose 11.5%, to \$3.4 billion, and biomedical products rose 2%, to \$1.05 billion.

Three divisions had sales declines: Agricultural and industrial chemicals, down 5.4%, to \$3.5 billion; petroleum exploration and production, down 12.2%, to \$1.8 billion, and coal, down 12.5%, to \$1.4 billion.

Du Pont's measured advertising spending in 1983 increased 8.5%, to \$50.2 million.

Du Pont fibers attracted much of the advertising dollars. Du Pont Antron carpet fibers drew \$7.3 million in measured spending, 95% of which was in magazines and 5% in newspaper supplements. Dacron fibers drew \$4.6 million, Du Pont Lycra, \$5.3 million, and a general Du Pont fiber category (aerobic wear, Speedo, Jantzen) drew \$1.5 million.

Last fall, the company began a series of marketing promotions to boost sales of carpeting woven with Antron. The company gave away some 50,000 home computers to consumers who bought carpeting containing Antron. This spring, it launched a pre-sale rebate program where customers could get coupons for as much as \$200 off on Antron-woven carpeting.

This fall, carpet buyers will be given coupons for \$100 off on the purchase of an AT&T telephone, said Bill Spencer, carpet division marketing manager.

Direct, consumer-oriented marketing promotions such as this represent a new direction for Du Pont but, "our marketing research has shown we're making a contribution to the carpet industry in this area," Mr. Spencer said. "As long as it shows we contribute, we'll continue the activity."

Other fiber division marketing included sponsorship of a tennis tournament at Hilton Head Island, S.C., to market Du Pont's line of sports apparel fibers.

This year, denim blue jeans containing Du Pont's stretch polyester cotton blend, "Denimotion," has been the subject of a tv ad campaign.

Spending continued strong for Silverstone and Teflon products. Silverstone, the stick-free coating for cookware, drew \$7.5 million in measured advertising, and Teflon attracted \$4.1 million for its coating, carpet protector and stain repellent products.

The polymer products division continued to hammer away at new and developing markets in the auto and packaging industries. Two engineering resins, Delrin and Rynite, were introduced in 1983 in the automotive and appliance finishes industries, and Sclar, another resin, was introduced in 1983 as a replacement for metal and glass in blow-molded containers.

A continuing trend toward the use of plastic rather than metals in packaging is creating substantial new markets, a Du Pont spokesman said.

Also hitting the market last year was the acetal resin, Delrin ST, for use in durable gears, bearings and exterior hardware.

Last fall, Du Pont announced a major breakthrough in polymer design called group transfer polymerization. The process could lead to development of new, stronger, more scratch-resistant acrylic plastic, but a commercial product is still "three to five years away," the spokesman said.

Agricultural and industrial product sales sagged 6% last year from 1982 despite a turn to profitability for the weed-control herbicide, Oust. Glean, introduced in 1982 along with Oust, is expected to turn a profit this year. Ally and Londax, two new herbicides, are scheduled to make their debuts this year for use on overseas cereal crops and rice.

Major developments in industrial and consumer products included initial construction of a new development and manufacturing facility for electronic products at Research Triangle Park, N.C.; high-speed coating facilities for graphic arts films at Parlin, N.J., and expanded capacity for chro-

mium dioxide at Newport, Del. In 1983, Du Pont also entered into a joint development agreement with Storage Technology Corp. of Louisville, Colo., for development of an optical disk.

A new laboratory for biomedical product and instrument systems was opened at Glasgow, Del., and a new pharmaceuticals process development facility was opened at Jackson Laboratory, Deepwater, N.J. Also, the company has allocated a significant portion of its \$173 million in capital expenditures over the past two years for construction of a new life sciences facility near Wilmington, Del., scheduled for completion this year.

In petroleum, Du Pont trimmed its debt by \$600 million with the sale of chemical assets stemming from the \$6.8 billion acquisition of Conoco Inc. Measured ad spending was only \$859,800 for Conoco.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers	1,531,600	1,980,200
Magazines	24,147,100	21,578,900
Farm publications	4,119,000	3,383,200
Spot tv	2,553,600	2,949,700
Network tv	13,435,000	12,423,800
Spot radio	1,632,000	1,482,100
Network radio	771,100	851,600
Outdoor	2,600	28,700
Total measured	50,192,900	44,668,400
Unmeasured	52,444,100	48,243,600
Estimated total	102,637,000	92,912,000

Marketing Personnel

C.E. Crowley, vp
A.W. Ballentine, div director
J.B. Boyer, textile fibers dept, industrial fibers & spunbond prod
J.B. Brett Jr., textile fibers dept, carpet fibers & fiberfill
M.R. Tyler, textile fibers dept, apparel & home fabrics publicity
H.E. Davis, div director
E.J. O'Brien, polymer prod dept, elastomers
P.G. Byers, polymer prods dept, engineering plastic materials, corp automotive communications
C.M. Ferrero, polymer prod dept, ethylene polymers
E.S. Weber, polymer prod dept, flexible packaging
J.H. McDivitt, polymer prod dept, fluoropolymers & industrial films
J.M. Murray II, div director
R.H. Stewart, biomedical prod dept, diagnostic & bioresearch systems
T.E. Minnich, biomedical prod dept, pharmaceuticals operations
J.C. Maneval, photosystems & electronic prod dept, Berg electronics, electronic specialties
J.G. Heidelberg, photosystems & electronic prod dept, photosystems
R.W. Nightengale Jr., div director
G.W. Hale, agricultural chemicals dept
J.P. Swan, chemicals & pigments/petrochemicals depts
R.A. Hotchkiss, intl dept
R.E. Williams, div director
D.E. Motz, finishes & fabricated prods
D.E. Weiss, finishes & fabricated prod
Corian/prod instruments systems, specialty services, methacrylates, adhesives
N. Kwick, finishes & fabricated prods, Stren, Remington Arms Co.
J.S. Swajski, finishes & fabricated prods, SilverStone, cookware, Teflon industrial, Teflon tubes, heat exchangers, maintenance & transportation finishes, Aldyl pipe, Crofon fiber optics, Tynex filaments new business dev
H.P. Root, div director-mktg srch
A.B. Baker, comptroller
J.P. Doherty, personnel mgr
R.J. Alfano, corp adv
J.R. Murphy, publications section
F.G. Smith, accounting
T.J. Niemke, exhibits, audio/visual
P.J. Trainor, media/prom
F.G. Oswald, adv mgr, intl fibers dept, apparel and home fabrics

Advertising Agencies

N W Ayer Inc., New York—fabricated products and finishes, polymer products, biomedical products (except pharmaceuticals), photosystems, chemicals & pigments, petrochemicals, staff dept, and textile fibers' industrial and spunbond prod—George H. Eversman, exec acct director.
BBDO, New York—textile fibers' apparel, carpets, home furnishings and fiberfill prod and corporate ad progs—Bernard Gross, senior vp-mgmt super; Joseph Crowley, senior vp-mgmt super.

Rumrill-Hoyt, Rochester, N.Y.—agricultural chemicals and Remington Arms—R.D. Thomson, exec vp-director, client services.

Kelly Advertising, Lancaster, Pa.—Berg electronics and electronic specialties—R.L. Kelly, president.

Barnum Communications, New York—pharmaceutical prod—Marvis Amster, vp-acct super.



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Sudler & Hennessey, New York—pharmaceutical prod.—Leon Gamza, senior vp-mgmt super.

Eastern Air Lines

	1983	1982
Sales*	\$3,942,134,000	\$3,769,237,000
Earnings*	(183,667,000)	(74,927,000)
U.S. Advertising	\$70,000,000	\$7,363,100

*Worldwide

Eastern Air Lines, Miami, which emerged from a difficult 1983 as the 86th largest national advertiser, increased its ad budget 22% to an estimated \$70 million in an effort to counter increased competition.

The airline slipped from No. 1 to No. 2 in terms of passengers carried in 1983, according to company sources. This contributed to losses of \$183.7 million, compared with losses of \$74.9 million the previous year. Revenues increased nearly 4.6%, to \$3.9 billion.

The carrier, overburdened financially when it entered the fierce competition of a deregulated industry, has not shown a profit since 1979. Yet, despite threats of filing for Chapter 11 under the Federal Bankruptcy Act that surfaced late in 1983, Eastern has taken steps toward regaining its health, largely due to new labor programs.

Through the first half of fiscal 1984, Eastern had accumulated losses of \$59.7 million, compared to a first half loss of \$94.4 million a year earlier. Revenues for the six-month period were \$2.16 billion, compared to \$1.96 billion in 1983. Air traffic control-related delays cost the airline \$15 million in extra expenses in the second quarter of 1984 when losses totaled \$24.1 million, according to chairman Frank Borman. Delays were primarily in the northeast, but the costs were spread out because the delays affected the entire system.

The much-publicized labor disputes in 1983 were countered by Eastern's \$70 million ad campaign, launched in January. Themed "We earn our wings everyday," the effort replaced the four-year-old "America's favorite way to fly," featuring Mr. Borman as spokesman. The new ads feature various Eastern employees, and that employee involvement also reflects new ownership structures at the airline. Some of the new ads continue to feature Mr. Borman.

Under an agreement with its em-

ployees, which Eastern said it needed if it were to avert bankruptcy, most employees gave up 5% of their pay in exchange for 25% of Eastern's common stock. Employees also received 3 million shares of junior convertible preferred stock and representation on the board of directors.

Improved employee relations also are being credited with Eastern's successful establishment of its new Kansas City hub. Set in place last December, the hub is said to exemplify new flexibility among Eastern workers.

The Kansas City hub, which was expected to become profitable this summer, provides the airline with a strong midwestern base. Its prime competitor in the market is Trans World Airlines, whose midwest base is St. Louis.

The company is so pleased with its operation there that recently it introduced ads in feeder markets, inviting travelers to compare its Kansas City service to other areas, according to William Dowse, vp-advertising.

Other developments at Eastern include the addition of a San Jose/Costa Rica route in May of this year, strengthening its presence in South and Central America, which it entered two years ago. Additionally, in April it introduced a \$2.5 million Hispanic ad push themed "Wings of America."

Cable spending for the carrier was about \$3.1 million in 1983, according to Mr. Dowse, and will remain at about that level through this year, largely through the company's sponsorship of the Atlanta Braves on WTBS, the Turner Broadcasting System superstation.

ADVERTISING EXPENDITURES*

	1983	1982
Newspapers	\$15,235,000	\$21,625,400
Magazines	7,205,000	4,657,900
Spot tv	12,265,000	7,924,900
Network tv	9,735,000	5,202,500
Spot radio	5,995,000	10,238,200
Outdoor	4,565,000	2,499,400
Total measured	55,000,000	\$21,488,300
Unmeasured	11,800,000	5,214,800
Estimated total	66,800,000	\$7,363,100

*Provided by Eastern

ADVERTISING EXPENDITURES†

	1983	1982
Newspapers	\$22,460,000	\$21,625,400
Magazines	5,838,400	4,657,900
Spot tv	12,237,100	7,924,900
Network tv	9,398,000	5,202,500
Spot radio	9,218,200	10,238,200
Outdoor	2,468,800	2,499,400
Total measured	61,621,300	\$21,488,300
Unmeasured	8,378,700	5,214,800
Estimated total	70,000,000	\$7,363,100

†From AA's usual sources

EASTERN AIR LINES

Marketing Personnel

R.L. Ray Jr., senior vp-mktg
John W. Nelson, vp-sales
Paul C. Auger, vp-mktg programs
W.H. Dowse, vp-adv
Mike McPhillips, mgr-vacation adv
R.A. de Cespedes, mgr-intl adv
T. Rippe, mgr-consumer rch
B.F. Walsh, mgr-business adv
R.A. Wolf, mgr-adv services
Robert J. Bauer, mgr-sales promo

Advertising Agency

Campbell-Ewald, Warren, Mich.—Joseph V. Karle Jr., group senior vp-mgmt super; Robert F. Henry, senior vp-associate mgmt super; David W. Roddy, vp-senior acct super; Jeffrey T. Sereny, Michael Rogers, vp-acct super; Steve Janicak, Patrick Kelly, acct execs. Miami, domestic—Gayle Boch, acct super; James Nelson, Michael Stewart, acct execs. Miami, Latin America—Gunther Sauppe, senior vp-associate mgmt super; James Power, Maruja Roger, acct supers.

Eastman Kodak Co.

	1983	1982
Sales*	\$10,170,000,000	\$10,815,000,000
Earnings*	\$65,000,000	\$1,162,000,000
U.S. Advertising	141,318,900	142,820,000

*Worldwide

Eastman Kodak Co., the 47th largest national advertiser, spent an estimated \$141.3 million on advertising in 1983, a 1% decline from 1982.

Sales and earnings continued to be sluggish for Kodak. In 1983, sales were down 6%, to \$10.17 billion. Earnings from operations declined 45%, to \$1 billion. Net earnings showed the steepest decline—a 51% drop, to \$565 million in 1983.

It was a year of recovery for Kodak, one that saw its entry into a number of new product arenas—from motion picture products and photography to 8mm video to floppy disks for personal computers. Concerning the latter analysts are concerned that Eastman Kodak may be straying too far from the company's field of dominance.

Kodak juggled its advertising media mix during the year, hiking spending in newspapers, magazines and spot tv, while reducing network tv by 11%. Spending in network radio also declined more than 50%.

Kodak film received the largest advertising expenditures—a little more than \$40 million, up from \$17.3 million. Most of this went to network tv. Similarly, the second biggest expenditure—\$28 million—was spent on Kodak disc photography camera and film, mostly for network tv. Kodak photographic paper received \$6.2 million in media advertising, \$5.3 million went to network tv.

During 1983, sales of the company's photographic products declined 9%, to \$8.09 billion. Significantly, record sales in the U.S. of \$4.78 billion—a 2% increase over 1982—were offset by a decline of 22% outside the U.S.

Within the U.S., retail sales of Kodak disc cameras increased, but total shipments from the company were lower when compared with the strong introductory and inventory-building year of 1982. Sales of the Kodacolor disc film also were up

sharply. The company said the introduction of its line of Kodacolor VR films with speeds ranging from 150 to 1000 ASA was received with great enthusiasm.

In January, 1984, Kodak entered the world of video imaging with the announcement of its 8mm video-camera recorder and a complete line of videocassettes. Kodak marketing executives were quick to point out that the 8mm video recorder (called a camcorder) was not meant to compete with the traditional Beta and VHS video recorders in the market. It was in a market by itself, taking over from the 8mm film format generally used for the home. The 8 mm system will be available on the market by late summer.

Sales of Kodak instant cameras and films declined in 1983 although the Kodamatic Trimprint instant color film introduced at midyear performed better than the others. The company spent \$2.7 million in media on Trimprint products, all in magazines.

For the professional and finishing markets, Kodak introduced a new professional video analyzing computer (PVAC) that accurately simulates color photographic prints by scanning negatives or transparencies and displaying the electronic picture on a high-resolution screen. The readings then are translated into digital data compared with optimum densities and color balances to help a photographic paper printer obtain consistent results.

In the graphics markets, worldwide sales were lower in 1983. However, the company was encouraged by its increased sales in the U.S. and Europe. In domestic markets, Kodak Ultratec products were introduced, providing the industry with an important breakthrough in prepress photographic technology.

Late in 1983, Kodak introduced two new medical X-ray films for the health sciences market. This year, it plans to make its Kodaflex products generally available.

The motion picture and audiovisual markets registered a slight decline in sales primarily because of poor sales to nonentertainment markets. Kodak is confident that the introduction of videocassettes for the consumer market as well as professional videotape will provide this segment of the company with increased revenues in the coming year.

In the business systems division, Kodak experienced strong revenue gains for its copy products as well as excellent growth of sales in its computer-output microfilm systems. The company was especially enthusiastic about sales of its Ektaprint 200 copier duplicator and Komstar microimage processor.

The chemicals division rebounded from its poor showing in 1982 to a 7% increase in sales of \$1.84 billion. The encouraging results were attributable to a strong showing for acids and anhydrides and healthy increases in solvents sales, cellulose esters and health and nutrition products. Textile fibers also showed an improved sales performance.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers	\$5,162,500	\$3,825,900
Magazines	16,644,600	15,243,700
Spot tv	8,649,100	5,843,800
Network tv	56,453,800	63,267,000
Spot radio	987,700	1,818,000
Network radio	726,400	1,609,000
Outdoor	1,719,400	593,300
Total measured	90,343,500	92,200,700
Unmeasured	50,975,400	50,619,300
Estimated total	141,318,900	142,820,000

EASTMAN KODAK CO.

Rochester, N.Y.

Marketing Personnel

K.R. Whitmore, president
J.P. Samper, exec vp-genl mgr, photographic div
W.J. Prezzano, group vp-genl mgr
F.P. Strong, vp-genl mgr, U.S. mktg div
J.R. Robertson, vp-asst genl mgr, U.S. mktg div
R.G. VanDuyne, vp-genl mgr, customer equipment services div
J.R. Zeman, vp-genl mgr, health sciences mktg div
R.C. Sharp, vp-genl mgr, consumer/professional and finishing mktg
W.E. Sherman, vp-genl mgr, graphics mktg div
J.R. Sutcliffe, vp-genl mgr, business systems mktg div

J.J. Powers, vp-director, mktg communications

W.A. Koch, vp-genl mgr, motion picture/audiovisual mktg div

W.K. Pedersen, asst vp-director, mktg communications services

R.C. Morrison, president, genl mgr, Kodak Canada

J.M. Guest, vp-genl mgr, distribution div

Advertising Agencies

Rumrill-Hoyt, Rochester—print trade, audiovisuals, some business, scientific and industrial—J.M. Valerio, president-coo; D. Fisher, senior vp-group mgr.

Young & Rubicam, New York—instant photo prods—Roby Harrington, senior vp; Ed Comiskey, vp-mgmt super.

J. Walter Thompson USA, New York—traditional photo prods, some business, industrial and technical—John Maher, senior vp, Kodak Worldwide U.S.; Granger Tripp, senior vp, Kodak Intl.

Siebert & McIntyre, Chicago—health care prods—David McCarty, exec vp; Eric Edstrom, group acct super.

Baker, Lovick Ltd, Toronto—Canadian commercial prods—G. Schich, vp-acct exec.

McCann-Erickson, Toronto—Canadian photographic and electronic prods—P. Finlayson, vp-group head; Thom Bodiker, vp-acct director, electronic (NYC).

EASTMAN CHEMICAL PRODUCTS

Kingsport, Tenn.

Marketing Personnel

R. Wiley Bourne Jr., president
T.F. Reid, exec vp-genl mgr
W.L. Terrill, senior vp
B.F. Roberts, vp-adv
G.O. Trubee Jr., vp-chemicals div and genl mgmt staff
R.C. Dubberly, vp-filter prods, intl div
L.B. Connolly, vp-plastics field mktg div
R.F. Matier, vp-technical service and development, new prods
R.E. Hudson Jr., vp-textile fibers div
A. LaManna, director adv
T.L. Shealey Jr., mktg director-textile fibers div
J.T. Moore, mktg director-plastics div
T.G. Fudge, mktg director-chemicals div
M.J. Mettetal, mktg director-H&N div
J.C. VanAudenhoove, mktg director-filter prods div
C.B. Fox, mktg director-new prods div
B.E. Moore, mktg director, intl director
G.E. McGraw, director-technical service and development
W.T. Ambrogio Jr., director-chemicals field mktg div
N.M. Atkins, director-prod/mkt mgmt, chemicals div
P.J. Trent, director-plastics field mktg div

Advertising Personnel

(New York)

A. LaManna, director-adv
K.P. Lawless, mgr-fibers adv
V.V. Reisig, mgr-chemicals adv
T.W. Lyons, mgr-plastics adv
M. Hennessey, mgr-intl adv
J.F. Horne, mgr-promo
H.E. Reebel, mgr-adv services
R.E. Webb, mgr-editorial services (King sport)

Advertising Agency

Leber Katz Partners, New York—all products worldwide.

Ford Motor Co.

	1983	1982
Sales*	\$44,454,600,000	\$37,067,200,000
Earnings*	1,866,900,000	(657,000,000)
U.S. Advertising	479,040,000	387,000,000

*Worldwide

Ford Motor Co., Dearborn, Mich., the seventh largest national advertiser, increased advertising 23.8% to an estimated \$479.1 million in 1983, a year when profits replaced losses.

Ford posted worldwide earnings of \$1.87 billion, compared with a loss of \$657 million in 1982—the largest one-year turnaround from a loss position in U.S. corporate history. Worldwide sales rose 20%, to \$44.4 billion in 1983.

The profit picture reversal was staged mainly in the U.S., where net income came to \$1.5 billion, against a loss of \$1.1 billion the preceding year.

Chairman Philip Caldwell said the strong U.S. performance was led by the new Thunderbird-Cougar and Tempo-Topaz cars. Both vehicles used aerodynamic styling in an effort to set the styling apart from competition.

Ford's U.S. market share continued to increase. Ford's U.S. sales of 1,671,837 autos gave the company a 17.2% market share, up from 16.9% a year earlier. Truck sales rose to 31.3%, from 30.6%, on sales of 993,874. Chevrolet beat Ford for the 1983 model year bragging rights on truck sales, but Ford regained the lead for the calendar year.

Ford bankrolled the sales with in-

Canon
YOU LOOK GREAT
IN OUTDOOR
IOA
INSTITUTE OF OUTDOOR ADVERTISING

'250,000,000 IN ONE YEAR!

RALEIGH
DURHAM
WINS BIG

Nation's 76th Metro gained more than a quarter of a billion dollars in new and expanded industry and research in one year!

Reach this quality people—quality products market with the largest daily newspaper buy in the Carolinas...



Durham Morning Herald

THE DURHAM SUN

The News and Observer

THE RALEIGH TIMES

With one rate, one bill via

NEWSPAPER SALES

creased advertising expenditures that included \$172 million in network tv, up from \$126 million a year earlier. Magazines got \$80 million, up from \$58 million, as Ford, like Chrysler, imposed rate, location and circulation rules that in isolated cases resulted in less advertising in magazines that did not comply. Spot tv grew to nearly \$38 million, from \$20 million, as Ford tried for more regional impact. Ford corporate advertising was estimated at \$53 million, up slightly from \$51 million in 1982.

As usual, Ford divisions claimed the bulk of the total ad budget—\$210.9 million, up 31% from 1982.

Among the company's two divisions, Ford division measured spending included \$148 million on tv, up 38.3%. Magazine spending climbed to \$43 million, from \$31 million. Spot radio fell to \$14.6 million, from \$17.6 million in 1982.

Measured ad spending at the company's other division, Lincoln-Mercury, increased 34.5%, to \$74.8 million, with the biggest increase in tv—\$53 million, up 33.5%. Magazines rose 30.4%, to \$18 million.

Lower earnings in Europe triggered rumors of agency shakeups—J. Walter Thompson USA was said to be vulnerable on the continent with its \$45 million in Ford billings. But the movement came at executive levels of the client. James Capolongo, president-chief operating officer of Ford of Europe, resigned in June, 1984, in an apparent dispute with Robert A. Lutz, exec vp-international.

Ford division stepped up its aggressiveness in ad claims. It one-upped the corporate ad claim that "Quality is Job 1" by asking, "Have you driven America's best-built cars and trucks?"

The "best-built" claim was added for 1984 to the carry-over theme line, "Have you driven a Ford lately?" If the tag was long, the controversy was longer. Chrysler Corp. challenged Ford's claim with the Federal Trade Commission and Better Business Bureaus in vain. Ford's claim was based on a study of reported flaws in new cars over the first three months of ownership.

Chrysler then replied with its own "best-built" claim, using the number of safety recalls as a measure. General Motors Corp. followed with a corporate ad citing insurance industry data on car crashes, showing seven of ten "best" models were GM's.

Ford pushed out in a number of new directions, in marketing, media and ad creativeness.

Marketing was directed more specifically toward the young, upwardly mobile professionals, who are the cream of the baby boom, especially on big-ticket items.

"We have products with qualities that happen to align with the prejudices of [yuppies]—aerodynamics, comfortable interiors, higher quality and a European look," said Mark McNeely, manager of advertising strategy for contemporary markets.

Ford chose youthful spokesmen for Tempo tv commercials, skater Dorothy Hamill and football stars Joe Montana and John Riggins. The spots closed with "Tempo, the car designed to do everything a modern car should. It just looks better doing it."

Ford supplemented its traditional Bill Blass designer-editions models with more youthful and sporty looks, an Eddie Bauer Bronco II and a Thunderbird tied to Fila sportswear.

Like other domestic auto makers, Ford has a special marketing effort aimed at California, a traditional bell-weather market where import penetration is close to 50%. Ford division took over in 1983 as the best-selling combined car and truck nameplate in the state, based on R.L. Polk registration data.

Ford captured a 23.5% share of the California truck market and 10.7% of passenger cars. Stephen C. Taylor, California marketing manager, set a 1984 goal of 26% truck and 11.5% to 12% car share. Ford division and its California car dealers association backed that with a \$1.5 million to \$2 million ad campaign designed for the state by the San Francisco office of J. Walter

Thompson USA.

Ford division also added Burrell Advertising, Chicago, to its agency list after two years of minority-specialist work on a project basis. Ford targeted special ad efforts to blacks and Hispanics. The Hispanic effort ties Ford to Hispanic regard for tradition and family, with shots of an Escort as a graduation gift, closing, in Spanish, with "from one family to another."

Ford branched out in media also. One of the early experimenters with cable tv, Ford increased its cable spending to \$3.8 million in the first nine months of the year, compared with \$2.1 million for the similar period in 1982, making it the eighth largest spender on the BAR Cable TV Network Report tally.

Ford tried its first fiber-optic outdoor display with a Thunderbird shot with a caption that alternated between "Thunderbird" and "Wonderbird." The 75-by-25-ft. board is located at the intersection of two Detroit freeways, visually fronting GM headquarters. T-bird advertising was measured at \$35.1 million.

While direct mail isn't new to Ford, the size of a "VIP Program," inviting 406,000 executives and professionals to test drive a Thunderbird for a day, was. Ford said results showed 10% of those who accepted said they'd buy a T-bird and 84% said they'd recommend it to a friend.

The tightest race for Ford division was an early-year challenge from GM's Oldsmobile. Olds crept up on Ford division's position as the No. 2 nameplate behind Chevrolet for the first five months of 1983, with Fairmont out of production and Tempo just introduced. But Ford rebounded to its accustomed second slot with the arrival of Tempo in normal volume. Measured ad support of about \$28 million backed Tempo.

Lincoln-Mercury division continued to broaden its marketing image in 1983, showing more distinction between the two nameplates and preparing for the 1985 debut of a third line of Ford of Europe imports called Merkur.

Mercury's separate ad campaign for 1984 targeted younger, better educated and more affluent buyers, stressing functional performance and handling with long-copy ads and a cerebral theme line: "Mercury. A more enlightened approach."

The hot-selling aerodynamic-styled Cougar, which added a zippy XR7 turbo version for 1984, got the most measured advertising as the division's image leader—about \$24 million. It was portrayed as a sophisticated performer rather than a muscle car. One print ad called it "One car that asks to be judged on more than merely its ability to accelerate."

After a splashy April, 1983, debut, Topaz got strong ad support for 1984, with a series of tv spots focusing on individual engineering features. Ad spending for Topaz for the year was \$19.6 million. L-M also tagged tv with an invitation to call a special 800 telephone number for additional information, its first such effort. It was tested in five western states, then rolled out nationally.

Mercury advertising was aimed at import-intenders for 1984, but likely will swing more directly opposite Japanese imports this fall when the first Merkur (pronounced: MARE-koor, from the German word for the Roman god of trade, Mercury) models arrive to challenge upscale European imports.

L-M projects 1985 sales at 20,000 for its Sierra XR4Ti, a high-equipment version of a Ford of Europe car. It will be sold as a separate line in L-M dealerships. At least one more model will follow for 1986. L-M intends to build Merkur to 100,000 annual sales by 1990, more than any other European importer currently sells here.

Lincoln sticks to its traditional luxury market, but even it addresses competition from European luxury carmakers. A Euro-style version of the Lincoln Continental Mark VII introduced in November, 1983, was advertised heavily in car enthusiast magazines. The new Mark VII, borrowing heavily in styling and mechanics from the Thunderbird/Cougar, dominated Lincoln marque advertising for '84. Media ad spending for the Continental hit \$7.4 million.

Lincoln got a full 30% of L-M ad spending because of the Mark VII and spent a fifth of it on a multilevel direct mail campaign designed to get potential buyers behind the wheel for test drives. The program followed a pilot in late 1982.

Lincoln media spending limited itself to upperdemographics magazines and business newspapers, all targeted at this high-income buyer pool.

Mercury media included tv with a heavy sports programming bent, but even there the long-copy theme was evident. Except for the Topaz engineering feature series, all tv was 60 seconds.

With both nameplates, the newer models were pushed and older models largely ignored, with varying results. Capri got slightly more than \$1 million in media, and sales of the aging Mercury variant of Mustang fell sharply. The large Mercury Grand Marquis and Lincoln Town Car sold out with minimal advertising as gas shortage fears evaporated.

Ford Tractor operations tried tapping three new market segments as the division struggled to resume its place as a major profit center for the corporation.

Agricultural and construction categories continued to be depressed in an industry slump in 1983.

Ford Tractor fought back with a new lineup of redesigned large tractors in the spring of 1983 and followed in early 1984 with an ad campaign pitched at women.

Ford discovered women drove farm tractors more than previously thought—and made half the purchase decisions. Tractor controls and auxiliary power takeoffs were redesigned to appeal to women. And ads directly pitched to women as partners in farming followed instructions to dealers to treat women, more as professionals.

Ford also pitched smaller tractors to parttime farmers, a fast-growing segment, with a \$500,000 radio and print campaign via Fleishman-Hillard, Kansas City.

And in early 1984, suburbanites were targeted for an expanded line of lawn mowers, garden tractors and snow blowers with an ad campaign 2½ times bigger than the previous budget through regular agency Meldrum & Fewsmith, Southfield, Mich.

In personnel changes, Edsel B. Ford II, great-grandson of founder Henry Ford, moved to Ford division ad manager from marketing product plans manager in December. He replaced Douglas T. McClure, who became ad manager of the Ford corporate marketing staff, a vacant position.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$49,602,600	\$45,582,600
Magazines.....	86,346,300	58,735,200
Farm publications.....	3,431,300	3,390,800
Spot tv.....	37,857,400	20,750,700
Network tv.....	172,308,100	126,739,600
Spot radio.....	12,993,100	23,100,100
Network radio.....	7,185,600	6,462,400
Outdoor.....	1,805,900	1,185,700
Total measured.....	365,530,300	285,955,120
Unmeasured.....	113,529,700	101,644,800
Estimated total.....	479,060,000	387,600,000

FORD DIVISION

	1983	1982
Magazines.....	\$43,005,130	\$31,296,870
Spot tv.....	19,831,300	9,269,400
Network tv.....	129,406,800	98,436,700
Spot radio.....	1,843,765	3,718,407
Network radio.....	24,229,229	17,644,362
Outdoor.....	940,879	619,740
Total measured.....	216,865,112	161,065,479

LINCOLN-MERCURY DIVISION

	1983	1982
Magazines.....	\$18,970,425	\$13,805,690
Spot tv.....	17,983,200	11,481,300
Network tv.....	35,684,300	28,302,900
Spot radio.....	92,432	166,871
Network radio.....	1,695,561	1,640,280
Outdoor.....	425,664	273,300
Total measured.....	74,851,582	55,670,421

FORD MOTOR CO.

Corporate Marketing Personnel
William P. Benton, vp-mktg
D.T. McClure, director-adv office
R.C. Reynolds, mgr-corp adv
F.R. Wuelner, mgr-adv communications

Advertising Agency
Wells, Rich, Greene, New York—James B. Lawrence, senior vp-genl mgr/Detroit.

FORD DIVISION

Marketing Personnel
L.E. Lataif, vp-genl mgr
P.M. Novell, genl sales mgr
J.L. Pfeifer, exec asst-dealer affairs
T.J. Wagner, genl mktg mgr
J.G. Clissold, light truck sales mgr
E.B. Ford II, adv mgr
R.J. Gilooly, natl adv mgr
J.H. Deimel, field mktg mgr
W.D. Lancaster, merch mgr
D.M. Pohold, vehicle sales promo mgr
T.N. Hynes, training-communications mgr

Truck Operations
E.P. Williams, vp-genl mgr
K.F. Smith, genl sales mktg mgr-heavy trucks
Carver Wood, heavy truck sales mgr
T.C. Martin, heavy truck adv-merch mgr

Advertising Agency
J. Walter Thompson USA, Detroit, Mich.—J.G. Schulte, exec vp, Detroit genl mgr; Bill Lane, senior vp-exec creative director; Bill Williams, senior vp, Ford acct director; Larry Mastro, vp-truck mgmt super; Hugh Trenkamp, senior vp-Ford dealer adv; D.L. Sinclair, vp-mgmt super/car; W.A. Gelgato, vp-mgmt super/car; Tom Healy, senior vp-media director.

LINCOLN-MERCURY DIVISION

Marketing Personnel
Robert L. Rewey, vp-genl mgr
B.J. Coughlan, genl sales mgr
Ross H. Roberts, genl mktg mgr
J.B. Vanderzee, adv mgr
John T. Treter, merch mgr
Rick C. Baker, adv media coordinator
Hal G. Augustine, major market/dealer adv mgr

Advertising Agency
Young & Rubicam, Detroit, Mich.—William A. Power, exec vp-genl mgr; Roby Harrington, exec vp-regional director; John Sanders, exec vp, deputy mgr; Chuck Riley, senior vp-group director (L-M acct support services); Greg Stein, vp-director of client services/WRK; Ken Pool, vp-director media relations & planning; Warren Winstanley, vp-mgmt super (planning); George Bak, vp-acct super (XR4); Tim Hart, vp-acct super (Mercury); Tim Cooney, acct super (Lincoln-luxury); Conrad Welsing Jr., senior acct exec (luxury-adv); Sandy Rowland, acct exec (Mercury); Scott Thornton, acct exec (XR4); George Bak, acct exec (Merkur).

FORD PARTS & SERVICE DIVISION

Marketing Personnel
C.V. Barion, genl mgr
L.R. Miskowski, natl service devel
K.W. Myers, prod and mktg mgr
M.L. Jones, mktg mgr
T.P. King, adv & sales promo

Advertising Agency
Young & Rubicam, Detroit—Robert Colgan, senior vp-group acct director; Robert Sontag, vp-mgmt super; Tom J. Ryan, acct super-parts & service; Carol Canestrone, senior acct exec; Tom Moran, Jesse Lampkin, acct exec.

NORTH AMERICAN SALES OPERATIONS

FORD TRACTOR OPERATIONS

Marketing Personnel
M.H. Manning, vp-genl mgr
G.A. Cowl, asst genl mgr-sale-/mktg
R.J. Nicolazzi, genl operations mgr
J.J.L. Johnson, genl sales mgr
J.N. Churchman, mktg mgr
A.H. Pridgeon, adv/sales promo mgr
Advertising Agency
Meldrum & Fewsmith, Southfield, Mich.—Dean Neill, exec vp; O. Leffler, senior acct exec; J. Bryan, M. Shencopp, acct exec.

The top 25 spot tv advertisers

Rank	Advertiser	Expenditures (\$000)			
		1983	1982	1983 as % of total advertising exp.	1982 as % of total advertising exp.
1	Procter & Gamble Co.*	\$229,244.8	\$178,882.2	29.6	24.6
2	PepsiCo Inc.*	121,847.1	87,728.2	34.2	28.8
3	General Mills*	112,982.1	107,614.2	42.0	31.3
4	McDonald's Corp.*	105,024.8	94,156.0	33.7	35.5
5	General Foods Corp.*	73,019.9	70,799.1	18.9	16.5
6	Coca-Cola Co.*	70,672.6	59,311.3	25.0	23.2
7	Pillsbury Co.*	60,781.0	46,122.8	31.8	27.6
8	Anheuser-Busch Cos.*	59,370.0	46,954.4	20.4	19.3
9	Unilever U.S.*	55,789.2	43,765.5	17.2	14.4
10	Philip Morris Inc.*	50,431.5	34,446.0	9.6	6.9
11	Mars Inc.*	44,332.5	46,508.6	36.8	38.8
12	Dart & Kraft*	42,525.2	64,277.0	20.2	32.3
13	Toyota Motors Sales U.S.A.*	42,505.9	44,792.1	37.4	40.2
14	American Telephone & Telegraph Co.*	41,341.0	65,654.1	8.9	17.6
15	R. J. Reynolds Industries*	39,642.0	47,738.1	6.7	9.0
16	Warner-Lambert Co.*	39,438.7	32,907.2	11.5	11.2
17	Ford Motor Co.*	37,857.4	22,256.6	7.9	7.1
18	Nissan Motor Co.*	37,723.6	32,671.1	30.7	27.8
19	Ralston Purina Co.*	35,744.8	23,535.8	12.5	10.7
20	Kellogg Co.*	34,130.2	30,054.3	19.4	19.5
21	Nestle Enterprises*	32,793.1	28,712.9	28.5	25.5
22	GTE Corp.*	32,443.2	5,925.1	46.2	23.5
23	American Home Products Corp.*	32,063.4	36,733.6	9.6	11.3
24	Time Inc.*	31,327.6	30,339.9	26.2	23.3
25	Wendy's International*	31,224.2	17,916.3	48.5	39.9

Source: Net time figures Broadcast Advertisers Reports and supplied to Leading National Advertisers.
*Indicates a 100 Leading National Advertiser

FORD MOTOR CREDIT CO.**Marketing Personnel**

J.W. Ford, chairman of the board
S.A. Seneker, president
S.M. Poth, vp-mktg and operations services
J.R. Gilker, mktg and business devel mgr
W.E. Beahrdt, mktg and operations
analysis mgr-consumer loan operations
C.B. Rosenberg, mktg and business devel
mgr-commercial, industrial and real estate financing

Advertising Agency

Wells, Rich, Greene, New York East—
J.D. McKay, exec vp-mgmt group head.

General Electric Co.

	1983	1982
Sales*	\$26,797,000,000	26,500,000,000
Earnings*	2,824,000,000	1,817,000,000
U.S. Advertising	190,506,600	159,000,000

*Worldwide

General Electric Co., Fairfield, Conn., the 32nd largest advertiser in the U.S., increased its over-all advertising spending 23.6%, to an estimated \$196.5 million in 1983.

The substantial increase can be attributed, in part, to the economic recovery and a renewed increase in consumer spending.

Among measured media, GE dramatically increased its spending in newspapers, up more than 100% from 1982. The year saw increases of 21% in magazine spending, 28% in spot tv and 26% in network tv. The only decreases were in network radio and outdoor.

The increases, while substantial, follow on the heels of drastically reduced spending in measured media in 1982.

GE has shifted its advertising focus away from image-specific advertising and now is placing a greater emphasis on the value-added services of its products.

Richard A. Costello, manager-marketing communications programs, late last year estimated that the weight between product advertising and its then image campaign was 50-50. The split for the fourth quarter of 1983 was altered to better reflect its new focus—50% in product, 30% in services and 20% in image.

As part of its shift, GE has moved away from tv spots crammed with vignettes to individual commercials that are minidramas with a single story line. Later this year, GE will launch its first corporate-level, business-to-business ad campaign in nearly 30 years. The \$5 million effort, handled by Chiat/Day, New York, is designed to serve all of the company's various operations.

Earnings in 1983 rose 11% to slightly more than \$2 billion, while sales continued to be relatively flat—up 1%, to \$26.797 billion.

Earnings for the first quarter of 1984 were \$485 million, up 14% from the first quarter of 1983. Sales for the quarter increased 8%, to \$6.58 billion, from the comparable quarter of 1983.

The past year marked a time of both consolidation and acquisition for GE. The company sold its natural resources subsidiary, Utah International,

to the Broken Hill Proprietary Co. Ltd. of Australia for \$2.4 billion—less the value of certain properties that GE retained.

It also sold its housewares business to Black & Decker for \$300 million; its Family Financial Services, a second-mortgage subsidiary of General Electric Credit Corp., to the Philadelphia Savings Fund Society for \$600 million, and sold for \$81 million seven radio and tv stations, thereby divesting itself of all but one—its Denver tv franchise. The company continues to operate 12 cable systems.

The sale of these properties is consistent with GE's new strategy of paring down those operations that are not in keeping with the over-all business strategy, which is to become No. 1 or 2 in market share in each business in which it is involved.

This strategy has evolved to where the company now is focusing on being No. 1 or 2 in 15 businesses in three distinct areas: High technology, services and its six core businesses (major appliances, lighting, turbine, transportation, motor and tractor equipment).

With the extremely strong cash position that GE currently enjoys, there has been much speculation as to the company's desire to make a major acquisition. In response, GE publicly has said it is taking a wait-and-see attitude and that the cash has given GE the flexibility to provide added funds for internal development.

The company, however, is not sitting idly by. In 1983, it spent more than \$500 million on 62 acquisitions, joint ventures and other investments. These include Calma, a West Coast maker of computer-aided design machines; 3M's ceramic business, and North American Cars, a tank car leasing business.

In the consumer products sector, GE's 1983 revenues increased 6.5%, to \$6.4 billion. Net earnings increased 36%, to \$326 million.

On the new-product front, GE introduced a line of telephones featuring cordless and combination clock/radio models, a 22-cubic-ft. refrigerator, the 2800 PermaTuf dishwasher with electronic controls and the Command Performance tv line.

GE also has entered into a three-way battle with Eastman Kodak Co. and RCA for the 8mm video camera market.

The system, which made its debut in January, includes an 8mm camera and playback system in a package. Both the GE and Kodak cameras are being manufactured by Matsushita Electric Industrial Co. Hitachi is making RCA's equipment. The GE system sells for about \$1,500.

The RCA system is the only one that is compatible with standard videocassette recorders. Both the GE and Kodak systems can be adaptable with the purchase of accessories.

GE products that received \$1 million-plus in measured advertising in 1983 included GE can openers, coffee makers, dishwashers, light bulbs, major appliances, rechargeable battery

system, space-maker appliances and GECC Financial Services.

The most heavily advertised products, according to Leading National Advertisers, were light bulbs for home use with \$10 million-plus in support; dishwashers, \$6 million, and Toast-R-Oven, nearly \$2 million.

Early this year, GE switched its estimated \$3 million-plus major appliance business group to Symon & Hilliard, New York, from BBDO. The company named J. Walter Thompson de Mexico to handle its \$900,000 appliance account there. GE has done no advertising in Mexico for the past two years.

The company also geared up to support its Summer Olympic buys. Last November, it assigned Howard/Marlboro Group to develop a multi-million-dollar sales promotion campaign that included a tv viewing guide.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers	\$12,219,800	\$6,054,100
Magazines	13,129,100	10,313,000
Spot tv	4,901,900	3,241,900
Network tv	39,158,000	28,966,600
Spot radio	506,600	399,700
Network radio	—	177,400
Outdoor	243,300	352,200
Total measured	69,758,700	49,505,700
Unmeasured	126,747,900	109,494,300
Estimated total	196,506,600	159,000,000

GENERAL ELECTRIC CO.**Marketing Personnel**

Leonard Vickers, vp-corp mktg
Earl L. Koss, mgr-corp adv
H.M. Snider, project mgr
E.J. Clark, mgr-educational communications programs
A.C. Walker, media coordination

CONSUMER PRODUCTS SECTOR**Marketing Personnel**

R.A. Costello, mgr-consumer mktg
W.D. Rayer, mgr-lamp prods
N.R. Huey, mgr-audio electronics
R. Richman, mgr-video prods

Advertising Agencies

BBDO, New York—corp, brand image, commercial and industrial lighting, video, consumer lighting, video, audio—F. Perkins, exec vp.

Lawler, Ballard Advertising, Norfolk—videotrade adv—Peter Wehmann, vp-mktg services director.

Hesselbart & Mitten, Akron, O.—intl lighting dept—Dennis Solits, senior vp.

Symon & Hilliard, New York—major appliances—John Symon, chairman.

Chiat/Day, New York—corp mktg—Jay Chiat, president.

Dancer Fitzgerald Sample, New York—battery business dept—Robert Weekes, exec vp.

Dix & Eaton, Cleveland—lamp components—Edward F. Kelly, group vp.

Stuart Ford, Richmond, Va.—mobile communications—Stuart Ford, president.

General Foods Corp.

	1983	1982
Sales*	\$8,599,000,000	\$8,256,000,000
Earnings*	317,100,000	288,500,000
U.S. Advertising	386,134,200	429,070,000

*Fiscal years 1984 and 1983 ended March 31.

General Foods Corp., White Plains, N.Y., the 10th largest national advertiser, reduced its ad spending 10%, to an estimated \$386.1 million in 1983.

The decrease is attributed in part to a 50% decline in measured advertising for the company's pet food division (brands: Gaines, Gravy Train, Cycle, Top Choice) to \$9.8 million, and a decline of 24% in ad spending on Post brand cereals to \$44.6 million.

The continued cuts in the Gaines pet foods division's advertising was a prelude to the sale of the division in June, 1984, to Anderson, Clayton & Co., a Houston-based food company. For some time, industry analysts had rumored that GF would move out of the

pet food business.

The company saw its worldwide sales rise 4% in fiscal 1984, ended March 31, to \$8.6 billion. Earnings rose 10%, to \$317 million, in the same period.

GF continued the aggressive stance in new product introductions and company acquisitions that it has been pursuing the past several years. The company expects that 15 products, now in various introduction stages, have the potential to add up to \$600 million in net revenues once the products are rolled out nationally.

Early this year, GF acquired Ronzoni Corp., makers of pasta, spaghetti and seafood sauces, egg noodles, Italian frozen entrees and grated cheese. GF hopes to create a complete Italian food products business by expanding into other Italian food specialties using the established Ronzoni name.

In other main meal products, the Birds Eye line of vegetables received a new packaging look. The company is looking to tie together its many varieties with a cleaner look and more consistency, and to present the vegetables in a top quality light.

While advertising for Birds Eye frozen vegetables decreased 40% from 1982 to \$2.5 million last year, spending for the Birds Eye line of International vegetables jumped to \$1.3 million from \$9,000 in 1982.

Spending for Birds Eye Cool Whip and its tie-in with Jell-O Pudding and Pie Filling decreased 8% to \$8.9 million, although not nearly the decline of 42% registered in measured spending by the product's major category competitor, Dart & Kraft's La Creme Frozen Whipped Topping, whose measured spending in 1983 was \$6.8 million.

In the beverage area, the big news continues to be aspartame-sweetened drinks. The over-all market for powdered soft drinks grew by 13% last year, and GF was firmly in the fray with Sugar Free Kool-Aid, Crystal Light and Country Time lemonade. The company expects the first two products to generate more than \$300 million in sales.

The advertising support is present. Last year, GF spent \$8.3 million on Kool-Aid presweetened mix and \$8.8 million on Kool-Aid presweetened sugar-free drink mixes. Measured spending on all Kool-Aid brands was \$26.4 million. The company says Kool-Aid has a 64% share of the powdered beverage business.

Crystal Light, which rolled national this spring, saw its advertising shoot up from \$435,000 in 1982 to \$6.7 million last year. Both Crystal Light and the sugar-free Kool-Aid are aimed at adults; Crystal Light's spokeswoman is Linda Evans, who with other fitness-conscious adults, reinforces the theme, "I believe in Crystal Light because I believe in me."

A restaged Country Time also rolled national this spring, as did a new sugar-free Country Time lemonade. The brand's advertising dropped from \$2.8 million in 1982 to \$19,000 last year.

GF is testing a sugar-free Tang, and an improved regular Tang is poised to make its debut. Young & Rubicam will handle the \$25 million reintroduction. And under both the Tang and Kool-Aid names, the company is testing products packaged in aseptic containers. Some \$6.7 million in measured advertising was spent on Tang brands.

In the dessert portion of packaged convenience foods, Jell-O gelatin pops

have been rolled to 35% of the country. Swirl variations of the original have been added and Jell-O fruit & cream dessert bars are in test markets. Sugar-free Jell-O gelatin is now available in half the country.

Jell-O, a high ad budget brand, attracted \$38.3 million in measured spending, with the big dollars going into Jell-O Frozen Pudding Pops (\$12.4 million), Jell-O Gelatin Dessert (\$11.1 million), and Jell-O Pudding and Pie Filling (\$8.4 million).

The packaged grocery products segment was GF's healthiest in fiscal 1984. Net sales rose 12%, to \$3.79 billion. Earnings grew 10%, to \$470.7 million.

Coffee (Brim, Maxwell House, Maxim, Sanka and Yuban) is the leading product in this sector. Measured spending for all coffee products was \$65 million, with Maxwell House garnering \$29.8 million, Brim, \$18 million, and Sanka, \$13.6 million.

Early this year, GF's first new coffee entry in three years appeared on the West Coast. Consumers there now can sample Yuban decaffeinated coffee. The advertising, by Benton & Bowles, emphasizes the brand's "deep, dark and Colombian" taste.

On the heels of the Yuban introduction, the company unveiled a decaffeinated version of Maxwell House. The brand will be available nationally, except on the West Coast. Advertising, by Ogilvy & Mather, will concentrate on the Maxwell House heritage of "good taste."

GF already has two other decaffeinated products, Sanka and Brim. Analysts wonder whether the two new entries will cause some erosion in the sales of the existing brands, but GF says the Maxwell House entry will appeal to a younger consumer—30-plus, as opposed to a 40-plus market for Sanka.

The decaffeinated segment is the one that promises the most growth in the stagnant \$4.5 billion coffee market. GF's actions are expected to goad competitor Procter & Gamble into speeding up its introduction of either a High Point vacuum ground version or a decaffeinated Folger's ground coffee.

In flavored coffees, GF introduced a new flavor, Cafe Irish Creme, to its line of International coffees. And early this year Le Cafe, a premium, ground roast coffee, was introduced to the West Coast. The product is available in cinnamon, mocha and amaretto flavors. According to trade estimates, the International coffee line has been growing at an annual rate of almost 45%.

Ron Morrow, an analyst with Smith Barney Harris Upham & Co., says GF is aiming for "higher margin and higher growth products; ones that offer consumers fresh, quality food with ease of preparation."

The company's acquisition trail also took it to the purchase of the western division of Oroweat Foods, owner of nine bakeries. This provides a line of bread and roll products and will enable GF's Entenmann's sweet goods to complete its expansion; at the end of fiscal 1984, Entenmann's was available in more than 40% of the U.S.

The one disappointing area was the company's breakfast food division. GF introduced several new Post cereals in fiscal 1983 and achieved growth both in volume and in market share. But in fiscal 1984 the brand's volume declined; the company attributed the decline to greater competitive advertising and promotional spending.

Post's cereals saw measured ad spending plummet in 1983, from \$58.5 million to \$44.6 million. Post Raisin Grape Nuts dropped from \$10.6 million to \$1.4 million; Post Grape Nuts dropped from \$11.6 million to \$7.4 million; Fruit & Fibre went from \$10.9 million to \$6.6 million; Honeycombs from \$4.3 million to \$2.5 million; Pebbles fell from \$4.5 million to \$2.9 million; Raisin Brand, however, increased from \$5.8 million to \$6.7 million. And new Honey Nut Crunch Raisin Bran got \$6.3 million.

The company notes that in fiscal 1985, breakfast foods, "an important foundation business," will be strengthened by stronger marketing and prod-

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uct development programs.

In prepared meats, GF's Louis Rich turkey product's line drew \$5.2 million in measured spending, up 33%, but Oscar Mayer branded products dropped 12% in ad spending to \$10.7 million.

Of the company's \$284 million in measured ad spending, the largest share went to network tv—\$170 million. But that was a 27% decrease from 1982. The spot tv ad spend remained relatively constant.

In the first nine months of 1983, figures available from the Cabletelevision Advertising Bureau had GF spending \$8.6 million in wired tv, up from \$6.9 million in 1982.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$4,281,000	\$4,700,000
Magazines.....	33,373,200	29,746,500
Spot tv.....	73,019,900	70,799,100
Network tv.....	170,864,500	232,349,400
Spot radio.....	2,333,300	4,744,500
Network radio.....	1,711,000	7,002,200
Outdoor.....	68,800	—
Total measured.....	284,771,600	349,341,700
Unmeasured.....	101,362,600	79,728,300
Estimated total.....	386,134,200	429,070,000

GENERAL FOODS CORP.

Marketing Personnel

James L. Ferguson, chairman-ceo
Philip L. Smith, president-coo
E.R. Shames, exec vp-president, GF intl operations
D.J. Keller, exec vp-coffee and foodservice
W.F. Dordelmann, group vp-planning and devel
J.M. Hiegel, exec vp-ceo, Oscar Mayer Foods Corp.
R.L. Seelert, group vp-president, package convenience foods
J.M. Keenan, corp group vp, president-GF Europe
F.K. Mitchell, vp-mktg staffs
T.E. Duesler, vp-sales
D.W. Johnson, vp-president, ceo-Entenmann's Inc.
R.E. Haynes, creative services director
D.K. Braun, media services director
W. Shaw, promo services director
BASIC FOODS & BAKED GOODS SECTOR
Marketing Personnel

J.C. Tappan, group vp

BREAKFAST FOODS DIVISION

Marketing Personnel

T.J. Herskovits, genl mgr
D.J. Gustin, mktg mgr-cereals
J.K. Kramer, devel mgr
G.W. Cook, natl sales mgr

Advertising Agencies

Ogilvy & Mather, New York—Alpha Bits, Pebbles, Super Crisp, Honey Nut Crunch Raisin Bran, Post Tens, Smurfberry Crunch new prods—Brendan Ryan, senior vp-group director.

Grey Advertising, New York—Post Raisin Bran, Grape-Nuts, Honeycomb, Grape-Nuts Flakes, Fruit & Fibre 40% Bran Flakes—Hunter Yager, exec vp-mgmt rep; Milt Weinstock, vp-mgmt super.

Ted Bates Advertising/New York—Log Cabin—Hal Pearson, senior vp-mgmt super and mgmt rep; Michael Passet, acct super.

ENTENMANN'S INC.

Marketing Personnel

D.W. Johnson, GF vp-president-coo
COFFEE/FOODSERVICE SECTOR
D.J. Keller, exec vp-coffee/foodservice

MAXWELL HOUSE DIVISION

D.J. Keller, GF exec vp-president, coffee and foodservice

S.B. Morris, GF vp-genl mgr
C.R. Hummel, director-long range planning

J.W. Johnson, category mgr-Maxwell House
C.A. Phillips, category mgr-modified coffees
L.A. Nelson, natl sales mgr

Advertising Agencies

Young & Rubicam, New York—Sanka—Jane Brite, mgmt super; Ann Zoppi, acct super; GF International Coffees—Dave Cramoy, mgmt super; Barbara Jack, acct super.

Ogilvy & Mather, New York—Maxwell House brands—Mary Lou Pritchett, vp-mgmt super.

Benton & Bowles, New York—Brim, Yuban—Barry Webster, mgmt super.

Ted Bates Advertising/New York—Maxim, Mellow Roast—Hal Pearson, senior vp-mgmt super and mgmt rep; Lucy Kennedy, acct super.

FOODSERVICE DIVISION

Marketing Personnel

B.G. Laragh, GF vp-div president
E.S. Caso, operating and logistics director
A.R. Plascie, planning and devel director
S.D. Cole, natl sales mgr

Advertising Agencies

Ketchum Communications, New York—Walter Kaprielian, president; Thomas Miller, exec vp; Donald Burkett, acct super.
Young & Rubicam, New York—Larry Shapiro, group director.

PACKAGE CONVENIENCE FOODS SECTOR

Business Divisions

R.L. Seelert, group vp-package convenience foods business divs

BEVERAGE DIVISION

Marketing Personnel

R. Sansone, GF vp-genl mgr
G. Murphy, mktg mgr
J.M. Kilts, devel director
R. Wesolowski, sales mgr
A.E. Wamsley, natl sales mgr

Advertising Agencies

Young & Rubicam, New York—Tang, Orange Plus, Awake, Postum—William Green, mgmt super; Tim Pollak, acct super.

Ogilvy & Mather, New York—Country Time—Brendan Ryan, senior vp-group director; Ed Vick, vp-mgmt super.

Grey Advertising, New York—Kool-Aid—Hunter Yager, exec vp-mgmt rep; Malcolm Mace, Carol Herman, mgmt supers.

DESSERTS DIVISION

Marketing Personnel

K.E. Fulton, GF vp-group exec
R.E. Vialut, acct genl mgr
E.H. Reynolds Jr., sales mgr
E.D. Thibault, natl sales mgr

Advertising Agencies

Young & Rubicam, New York—Jell-O cheesecake mix, Jell-O Pudding Pops, Jell-O puddings and pie fillings, Jell-O Instant Pudding, Jell-O Americana desserts—Matthew Crisci, mgmt super; Jim Hood, Joe Tilly, Phil Asche, acct supers.

Benton & Bowles, New York—Cool Whip, Dover Farms—Norman Sherman, mgmt super.

Grey Advertising, New York—Baker's Chocolate, Baker's Coconut, D-Zerta, Dream Whip, Minute Tapioca, Calumet, Certo, Sure-Jell—Hunter Yager, exec vp-mgmt rep; Jack Frantz, senior vp-mgmt rep; Jerry Zaret, vp-mgmt super.

MEALS DIVISION

C.J. Bowen, vp-genl mgr, Meals Division

BIRDS EYE

Marketing Personnel

N. Kelly, mgr
P. Gools, sales devel and planning mgr
A.E. Wamsley, natl sales mgr

Advertising Agencies

Young & Rubicam, New York—Birds Eye vegetables, Quick Thaw fruits—Ed Comiskey, mgmt super; Richard Bodge, acct super.

DRY GROCERY PRODUCT UNIT

Marketing Personnel

L.D. Juliber, mgr
V.B. Elkind, devel mgr
E.T. Thibault, natl sales mgr

Advertising Agencies

Ogilvy & Mather, New York—Shake 'n Bake, Open Pit—John Blaney, vp-group director.

Grey Advertising, New York—Minute Rice, Minute Rice Mixes, Stove Top stuffing mix, Oven Fry coating—Hunter Yager, exec vp-mgmt rep; Jack Frantz, senior vp-mgmt rep; G. Thomas Ayderlotte, vp-mgmt super.

Ted Bates Advertising/New York—Good Seasons salad dressing mixes—Hal Pearson, senior vp-mgmt super & mgmt rep; Michael Passet, acct super.

RONZONI FOODS CORP.

R. Ronzoni, president

R.J. Pizzuti, mktg mgr

Advertising Agencies

Young & Rubicam, New York—Edward Comiskey, group director; Ray Katz, acct exec.

OSCAR MAYER SECTOR

OSCAR MAYER FOODS CORP.

Marketing Personnel

J.M. Hiegel, GF exec vp, president/coo
J.W. McVey, GF vp, exec vp
R.L. Tolleson, GF vp, exec vp

Advertising Agencies

J. Walter Thompson USA, Chicago—all lines except Louis Rich brands—John Furr, senior vp-group acct director; Tom Goettsche, vp-acct director; Rich Anderson, vp-senior acct super; Bill Minor, acct super; Jody Solomon, Steve Swanson, Steve Weiss, acct reps.

Tatham-Laird & Kudner, Chicago—Louis Rich Brands—Thomas Schafer, Linda Garrison, mgmt supers; Ed Steffes, Rawdon Parry, acct supers; Joe Dollens, Dick Salzer, acct execs.

LOUIS RICH

Marketing Personnel

Tom Smith, vp-consumer prod div
Bob Tuckis, vp-mktg mgr
Mike Trautshold, group prod mgr
Steve Lindbloom, John Martin, prod mgrs
Tom Branczy, Ken Witty, associate prod mgrs

Advertising Agencies

Ted Bates, New York—Larry Epting, Mike Townsend, vps; Stu Upson, super acct mgr; Jay Hussey, acct mgr.

CHEESE DIVISION

Marketing Personnel

W.G. Harris, genl mgr
H.L. Brody, director of devel and business

planning
Andre Jaekle, exec vp-Otto Roth Co.
F. Jaekle, exec vp-Otto Roth Co.
A.M. Bond, sales mgr

General Mills

	1983	1982
Sales.....	\$5,400,000,000	\$5,550,300,000
Earnings.....	233,400,000	245,100,000
U.S. Advertising.....	268,690,200	244,363,700

*Worldwide, fiscal years 1984 and 1983 ended May 27

General Mills, the nation's 23rd largest advertiser in 1983, increased its ad spending 10%, to \$268.7 million.

The company had net earnings of \$233.4 million in fiscal 1984, down from the previous year's \$245.1 million, on sales of \$5.6 billion, up less than 1% from 1983.

During the year, General Mills increased its measured media advertising portion of its ad budget 9%, to \$242.1 million, with major expenditures in spot tv (\$113 million, up 5%), network tv (\$100.3 million, up 7.2%), and magazines (\$25.5 million, up 44%), according to Leading National Advertisers.

Leading the media expenditure list of products were Big G cereals on which \$72.7 million was spent during 1983, down 2.8% from 1982.

The slight decline in measured media spending for cereals apparently did not hurt General Mills' position in the over-all market. The company currently holds about 23.4% of the \$3.7 billion ready-to-eat cereal market, according to Drexel Burnham Lambert, up from about 23.1% last year.

During 1983 and the first seven months of 1984, General Mills concentrated its new cereal introductions on children, providing national distribution to Cinnamon Toast Crunch, Pac-Man and E.T. cereals in the highly competitive sweetened cereal category. Pac-Man, the only one of the trendy cereals to receive media spending in 1983, gleaned \$5.1 million from the General Mills budget.

Last fall, General Mills briefly entered Orange Blossom cereal into Chicago and other limited markets on a single sell-in basis, the same trial marketing basis it used for Strawberry Shortcake cereal before it went national.

Meanwhile, the Big G division substantially dropped spending on some of its earlier cereals, including Donutz (only \$2,400 in 1983) and Buc-Wheats (\$270,400). Spending for Crispy Wheat 'n Raisins declined from more than \$5 million in 1982 to about \$3.3 million last year.

The company also entered limited test markets, including Eau Claire, Wis., and Pittsfield, Mass., with aspartame-sweetened Trix cereal, the third aspartame-sweetened cereal marketed in the U.S. (Quaker Oats Co. markets Halfies; General Foods' Post unit is testing aspartame-sweetened Alpha Bits.) In Canada, General Mills launched Pro-Stars aspartame-sweetened cereal, using Edmonton Oilers hockey star Wayne Gretzky as its spokesman.

The company's Wheaties cereal basked in the warmth of consumer awareness as a result of its "Big Boys" campaign, which began in June, 1983. Measured media was \$4.8 million.

Like other cake mix and flour marketers, General Mills late last year was hit by the controversy over the presence of ethylene dibromide (EDB) in some of its products and was forced to pull some cake and muffin mixes and Gold Medal flour and Bisquick from store shelves in various states.

The company said its research suggested there was some falloff in demand for its cake mixes and possibly Bisquick as a result of the EDB scare, but it could not prove a direct relationship between soft sales and the scare. General Mills said there was virtually no effect on sales of its Gold Medal flour, which it supported with a minimal \$782,000 in media spending.

General Mills met rising competition from Procter & Gamble in the fast-growing, \$130 million muffin mix category by entering nationally two new Betty Crocker muffin mix flavors

—apple cinnamon and tart cherry—just as P&G moved cross-country with Duncan Hines banana nut and spicy apple.

The Betty Crocker baking mixes, including chocolate-chocolate chip cake mix introduced last year, maintained second place behind Procter & Gamble's Duncan Hines mixes.

In the face of new competition by Procter & Gamble's Duncan Hines ready-to-spread frosting, Betty Crocker Creamy Deluxe frostings were reformulated with butter last fall, at the same time No. 2 Pillsbury reformulated its product with all vegetable shortening.

But General Mills' share of the \$220 million frosting market slumped to 43%, from about 47% before the Duncan Hines introduction, while the P&G brand picked up about 15% of the market.

Measured ad spending for Betty Crocker canned frosting declined from about \$3.3 million in 1982 to \$2.3 million in 1983.

The Golden Valley division this summer introduced nationally Chicken Helper sauces and side dishes, an extension of its Hamburger and Tuna Helper lines, in a campaign calling it "a new way to dress up your chicken." The company also entered a four-item line of Betty Crocker stuffing mixes, to be advertised this fall.

Last fall, General Mills formed a new "wholesome snacks" division to handle Nature Valley and Fruit Corners products. The unit is headed by Stephen Warshover, former vp-general manager for the Betty Crocker division.

The company continued its focus on health and nutrition with its national introduction late last year of Chewy Granola Bars, an extension of the Nature Valley line and a product competitive with the Quaker Oats product of the same name. For the first time since General Mills opened up the now \$350 million cereal meal bar category, the Nature Valley line fell to second place in the over-all retail market during fiscal 1984, as a result of Quaker's success with Chewy and chocolate-covered Dippys.

Also in an apparent response to Quaker's success, General Mills in April rolled national with chocolate-flavored Granola Clusters, backed by free-standing newspaper inserts calling it "Granolas" answer to chocolate candy." Total spending on the Nature Valley line was \$18.9 million.

In the \$126 million dried fruit snacks segment, General Mills completed a national rollout of Fruit Corners Fruit Roll-Ups. The product, geared to children, now is being joined in national distribution by Fruit Corners Fruit Bars, a four-item line of candy-bar-style dried, pressed fruit, targeted to young adults. Fruit Bars was tested about a year in Eau Claire, Wis., and Midland, Tex., where a third Fruit Corners product, Snackin' Fruit, entered test market in late December or early January.

The company's Gorton's of Gloucester unit increased measured ad spending 56%, to more than \$4.4 million during the year, to promote its new light seafood lines, including a new line of Light Recipe entrees, which extended the company's fish sticks and fillets line introduced last year, and Fish Marketfresh, individually packaged pieces of frozen fish fillet, apparently intended to meet market competition from category leader Van de Kamp, which last year introduced a similar product, Today's Catch.

Ad spending for Yoplait yogurt rose to \$7.47 million, up from about \$4.8 million last year, as General Mills, No. 2 in the market behind Gervais-Danone's Dannon line, moved Breakfast yogurt into national distribution beginning last summer. Breakfast yogurt alone was backed by an estimated \$2 million in measured spending through the end of calendar 1983. General Mills also added new strawberry-banana and pina colada flavors to its line this summer.

The company had several management changes in its consumer foods unit last fall. In October, Steven

People performs

"We knew that People was *the* magazine that would help us to reach our market, and it did."

—Hugh Rickenbaker, Vice President, Corporate Affairs
Life Insurance Company of Georgia

Rothschild, formerly president of Yoplait USA, was named exec vp-consumer foods for Yoplait USA, Betty Crocker division and European food operations, succeeding Preston Townley, who resigned. Charles D. Weil, formerly vp-general manager of the marketing services division of consumer foods, succeeded Mr. Rothschild. Stephen Demeritt, formerly marketing director for the Golden Valley division, succeeded Mr. Weil.

Michael Cushman, former vp-general manager of the Northstar division, was named to the same title in the Betty Crocker division, and Steven Sanger, former marketing director for the Big G division, succeeded Mr. Cushman.

Last fall, General Mills sold its Memphis-based Donruss bubble gum unit, which marketed Super Bubble and Color Bubble single-piece bubble gums, to Huhtamaki Group's Leaf Inc.

Red Lobster Inns last year began implementing a new design concept intended to give customers a more casual and leisurely environment. About 25% to 30% of the chain's 370 units were set to be converted this year to the new design, which includes an oyster bar and open mesquite grills. Menu changes emphasizing fresh and healthy foods also are under way, with the addition of a la carte items and more grilled and lighter seafood entrees.

This spring, Red Lobster also rolled out seafood pasta entrees, which had been in Memphis and Milwaukee test markets since the beginning of 1984. In an effort to increase its share of the lunch business, Red Lobster late last year began advertising a "10-minute on-time" lunch guarantee.

Red Lobster moved its estimated \$30 million ad account in January to Backer & Spielvogel, New York, from D'Arcy MacManus Masius, St. Louis, citing the need for "more aggressive marketing strategy" to compete with full-service restaurants. Sources said the move also was provoked by D'Arcy's strong concentration on another client, Anheuser-Busch.

Also in its restaurant group, General Mills promoted its Casa Gallardo Mexican restaurants with a tv, radio and print campaign, themed "Spice it up," that began last fall. Using the chain's founder, Ramon Gallardo, as spokesman, the campaign ran in the 34-unit chain's markets. D'Arcy MacManus Masius, St. Louis, resigned the Casa Gallardo account after losing Red Lobster, and the assignment moved to Grey Advertising, New York. Less than \$1 million was spent on the Casa Gallardo account last year.

The company pared its York Steak House chain to 130 units during 1983, closing 20 "out-of-position and low-volume" units. Restaurant group president Joe Lee told securities analysts York will be repositioned from its current budget steakhouse niche to a "low price point, high-variety restaurant

concept" that can better compete with Ponderosa, Sizzler and other chains that already have diversified menus. Advertising for York adopted the mouthful tag line "Bettermorebigger-nicer."

The company also worked to upgrade its newer restaurant concepts—the 40-unit Good Earth healthy-foods chain and its 35-store Darryl's turn-of-the-century pub concept. This summer, a new Good Earth prototype design featuring more limited seating was unveiled.

In the toy group, Parker Bros. continued to concentrate on a limited line of strong game titles in its software unit. Three major titles—Frogger II, Montezuma's Revenge and Mr. Do!s Castle—were introduced in June and will enter the market this fall, backed mainly by spot tv and some print in youth, computer and game magazines.

Those games follow the spring debuts of the company's Star Wars arcade game, Gyruss and James Bond 007 games.

Parker Bros. expanded its children's book publishing venture with Rose Petal and Cabbage Patch book lines, introduced nationally in February, and titles were added to the Strawberry Shortcake and Care Bears lines.

New lines, including Huddles, licensed from the National Football League, are expected in September, and other lines will be available next February.

The company introduced its first children's music album—Cabbage Patch Dreams—in February; the album received a gold record award from the Recording Industry Assn. of America in July. A Rose Petal Place album followed this summer. The recordings are available in records, tapes and cassette book combinations.

The Nerf line was expanded with Nerf pool, now being introduced nationally, and Nerf baseball items.

In January, Parker Bros. purchased Pente, an adult strategy game, from Pente Inc. and in February introduced People Weekly, a trivia game. Both a board and a card game with Cabbage Patch licenses were introduced during the year.

Body Boggle, a party game played on a mat, was introduced in February, backed by a \$400,000 tv campaign, using the company's umbrella theme, "Parker Bros. kind of fun brings people together."

Also in the toy group, the company introduced in February a line of Rose Petal scented dolls with characters licensed by Kenner Products much like the company has done with the Strawberry Shortcake and Care Bears.

Kenner now is rolling out Flip Crashers, a line of toy racing cars that fall apart when they crash. Super Powers figures, based on "Superheroes," were introduced earlier this year.

The company's successful Star Wars

toy line was expanded with new toys based on the "Return of the Jedi" movie.

The fashion group showed declines primarily from an earnings decline at Izod. General Mills is promising "aggressive marketing and merchandising programs supporting new and updated lines" to stabilize Izod, which commanded media spending in 1983 of \$4.6 million.

Last fall, General Mills was sued by Toys "R" Us, Rochelle Park, N.J., which charged that the Izod sportswear division conspired with Federated Department Stores to prevent Izod apparel from being sold to Toys "R" Us' new Kids "R" Us discount clothing division.

Toys "R" Us eventually dropped the suit.

In the midst of declining earnings for Izod LaCoste during fiscal 1984, General Mills moved the estimated \$2 million Izod ad account from Grey Advertising to Scali, McCabe, Sloves, New York.

The Izod line was expanded with accessory items and a broader line of emblem-bearing sportswear and an increased selection of clothing for women and children.

The specialty retailing unit, long a weak link in the company, is increasing the number of units in its Talbots, Eddie Bauer and Wallpapers To Go units and expanding the LeeWards concept to include a wider selection of merchandise.

The company improved results at Wallpapers To Go units by closing several "out-of-position and low-volume" stores, leaving the chain with 87 units.

After splitting with Foote, Cone & Belding, San Francisco, in the first quarter of the 1984, the long-ailing Wallpapers To Go chain named Keithum Advertising, San Francisco, to its account, which dropped to less than \$800,000 in measured media in 1983, from \$2.2 million the year earlier.

According to Broadcast Advertisers Reports, General Mills spent \$6.3 million in cable advertising during the first nine months of 1983, up from \$2.3 million for all of 1982.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$5,620,700	\$4,241,700
Magazines.....	25,451,500	17,585,900
Spot tv.....	112,982,100	107,121,500
Network tv.....	100,279,100	93,628,500
Spot radio.....	6,197,600	5,632,800
Network radio.....	2,364,200	1,723,800
Outdoor.....	197,400	216,000
Total measured.....	253,092,600	230,150,200
Unmeasured.....	15,597,600	14,231,500
Estimated total.....	268,690,200	244,381,700

GENERAL MILLS

Marketing personnel

Donald F. Swanson, vice-chairman, non-food operations
F. Caleb Blodgett, vice-chairman, consumer foods
Walter R. Barry, exec vp-consumer foods
Arthur Schulze, exec vp-consumer foods

Steven M. Rothschild, exec vp-consumer foods

Richard F. Kral, exec vp-fashion

James G. Fifield, exec vp-toy group

Joe R. Lee, exec vp-restaurant group

Robert J. Blake, director-adv services, consumer foods

Hal H. Nitch, director-media services, consumer foods

Michael Boyle, exec vp-specialty retailing and furniture

Carole MacGillivray, president-Marketing and Design Service, toy group

Richard Stearns, president-Parker Bros.

Brent Andrus, exec vp-Parker Bros. games and toys

Bruce Jones, vp-mktg, Parker Bros.

Doug Conant, director-mktg, new ventures Parker Bros.

Dave Evanchik, director-mktg-games and toys, Parker Bros.

Dave Maur, exec vp-mktg and mktg services, Kenner Products

Dan Cooney, vp-mktg/sales, Fundimensions

Advertising Agencies

Altman, Stoller, Weiss, New York—Monet Jewelers.

Bozell & Jacobs, Minneapolis—grocery, military—Frank Miller, acct exec.

Campbell-Mithun, Minneapolis—Breakfast Squares, Big G cereals (Cinnamon Toast Crunch, Crispy Wheat's 'n Raisins, Bunch of Grapes, Golden Grahams), Nature Valley products, Betty Crocker potatoes, BC Coupon plan—Bruce Sutherland, director-client services, Madeline Betsch, mgmt super.

Dancer Fitzgerald Sample, New York—Big G cereals (Cheerios, Honey Nut Cheerios, E.T., Total, Kix, Trix, Lucky Charms, Cocoa Puffs, Monster Cereals, Donuts, Strawberry Shortcake, Pac-Man, new prod), Gold Medal flour, Fundimensions, Yoplait yogurt, Parker Bros. (video-games, new prod), Kenner—P.F. McSpadden; Freeman Bunn, mgmt super; Joe Mack, senior vp-Parker Bros.

Dancer Fitzgerald Sample, San Francisco—Betty Crocker pancake mix, Wheat Hearts hot cereal, LaPina—Brian Burns, mgmt super; Preston Beale, acct super.

Daniel & Charles, New York—Gorton's.

Foote, Cone & Belding/Honig, San Francisco—Wallpapers To Go, Eddie Bauer.

Chester Gore, New York—Foot-Joy (golf, street, casual).

Grey Advertising, New York—Kenner,

—Joe Callo, David Crystal, mgmt super; John Cashwell, acct super.

Grey-North, Chicago—LeeWards—Ruth McNitt, mgmt super.

Hill, Holliday, Connors, Cosmopolis, Boston—Talbots—Marianne Coons, acct super.

Humphrey, Browning, MacDougall/Creamer, Boston—Parker Bros. (board and card games, children's books, Nerf, special video projects)—Mitch Weeks, mgmt super.

Leonard, Monahan & Saabye, Providence—Foot-Joy (running, tennis, racketball).

Leventstein/Gaines, New York—Pennsylvania House.

Needham, Harper & Steers/USA, Chicago—Betty Crocker dessert mixes, Bisquick, Fruit Corners (Fruit Roll-Ups, Fruit Bars, Snackin' Fruit), new main meals, new instant meals, Bac-Os, Wheaties, Hamburger, Chicken, Tuna Helper—Robert Savand, mgmt rep.

Peter Rodgers Associates, New York—Monet Jewelers.

Red Barron Inc./Midland Advertising, Minnetonka, Minn.—food service.

Wattenmaker, Cleveland—Gorton's Blue Water label—James S. Wattenmaker, acct mgr.

General Motors Corp.

	1983	1982
Sales.....	\$74,581,600,000	\$68,925,500,000
Earnings.....	3,738,200,000	962,700,000
U.S. Advertising.....	\$95,129,500	\$49,000,000

Worldwide

General Motors Corp., Detroit, the fourth largest national advertiser, increased 1983 ad expenditures 8.2%, to an estimated \$95.13 million on record sales and earnings.

Worldwide earnings rose from \$962.7 million to \$3.73 billion on sales of \$74.6 billion, which were up 24% from the previous year. U.S. sales, which rose 31.5%, to \$66.16 billion, represented 88.7% of the worldwide sales.

The year, termed a "turnaround" by chairman Roger Smith, was marked by a major reorganization that reshaped the giant into big-car and small-car groups or upscale and downscale groups. The year also saw government approval of a joint venture with Toyota to make cars in California and implementation of an import car strategy with its partially owned Japanese partners, Isuzu and Suzuki.

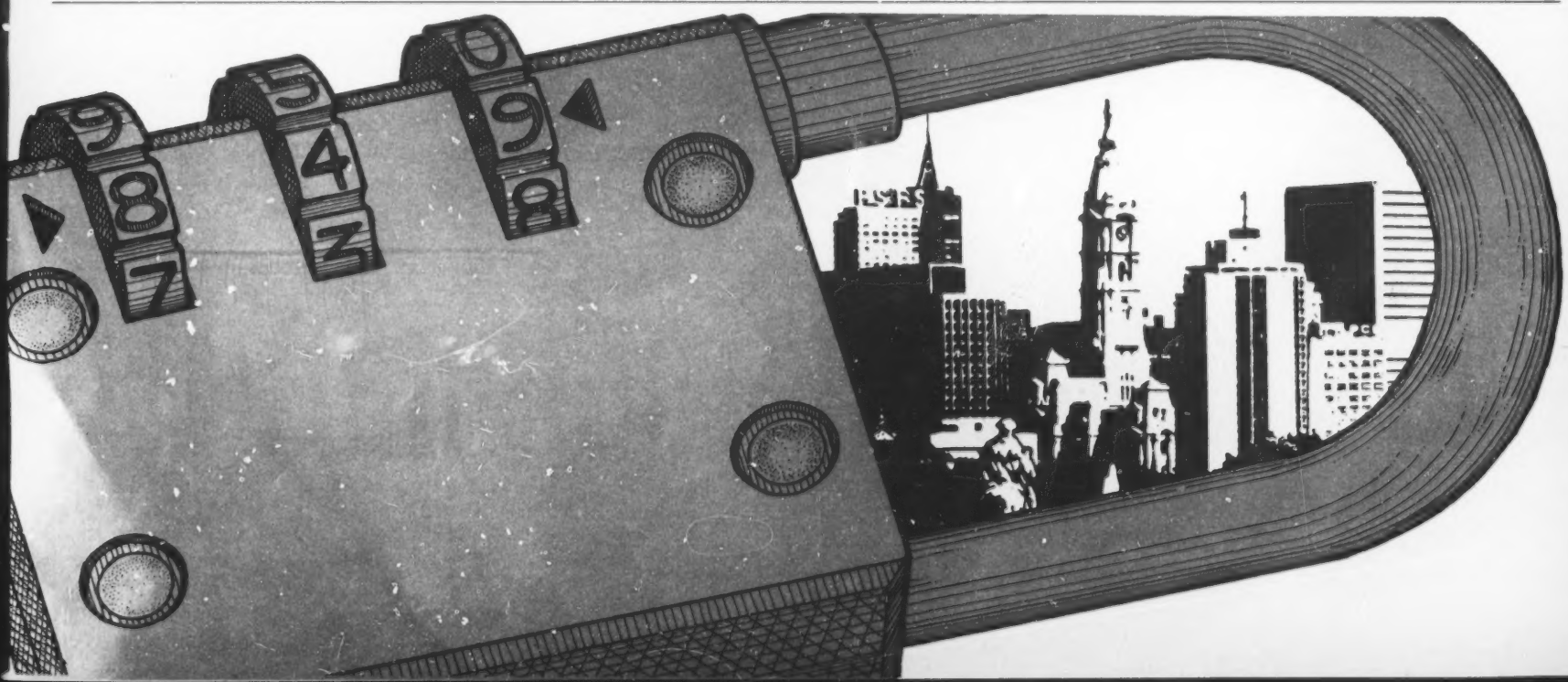
Some of the cheers during the 75th year of the company's operations were for the record \$3.7 billion in profits on record sales of \$74.6 billion. General Motors Acceptance Corp., the financing unit, accounted for more than \$1 billion in net income alone. That topped the previous high of \$688 million the year earlier.

None of GM's increased advertising went to communicate the new GM reorganization, which the corporation had kept secret until late December. The new structure put Chevrolet, Pontiac and GM of Canada in the small-car group and Buick, Oldsmobile and Cadillac in the large-car group.

Each car group will be responsible for the development of new vehicles, with the divisions surrendering some engineering and manufacturing responsibilities to concentrate on sales and marketing. There can be some swapping of products between the groups, but the aim is to give each division a clearer and more separate identity. GM divisions also will be allowed to buy cars from outside the corporation (Cadillac plans to assemble a European-designed sports car), and GM may be building domestically designed cars overseas.

For instance, GM started to market Japanese-made subcompacts with Chevrolet names in Puerto Rico (followed by U.S. introduction). A Korean-made small car for Pontiac was designed by GM's Opel unit in Germany. In addition, GM is pushing its new GM Overseas Distribution Corp., which markets U.S.-made cars overseas.

GM is budgeting \$1 billion for its Saturn—a U.S.-designed and built



small car. Project Saturn envisions a sweeping integration of design and engineering within GM divisions. The car, which will be sold by Chevrolet, is to compete with Japanese small cars. "If we can't compete in small cars, we can't compete period," Mr. Smith said. Saturn is tentatively set for the 1988 model year.

Elaborating further on small cars, he described the GM-Toyota joint venture to build a small car as a stopgap measure and a means of learning Japanese production techniques. The joint venture vehicle is due out later this year.

GM was allowed to import token numbers of the small Suzuki Sprint and Isuzu Spectrum, but plans large volume as import restraints are lifted or changed next spring.

The rosy sales and profit picture in 1983 stemmed from burgeoning unit sales. The U.S. total soared 16% over 1982, to 5.3 million vehicles, while the overseas total rose 9%, to a record 1.9 million vehicles. GM accounted for 9% of overseas industry sales and inched closer to leader Ford Motor Co. in Europe. Sales in the U.S. were paced by record results at Buick and Oldsmobile, with the Olds Cutlass Supreme continuing as the best selling U.S. car. GM got 43% of the U.S. market, the same as last year. Canadian sales climbed 17%, to more than 1 million vehicles.

GM's over-all ad expenditures in the U.S. rose 13% among the media mix in 1983. Network tv buys went to \$201.4 million, up 23% from 1982. Magazines got \$89.0 million, up 3%; spot tv got \$25.7 million, down 5.7%; network radio got \$9.41 million, up 19%; and outdoor fell to \$4.18 million, down 16%.

It looks like GM will have plenty to celebrate in 1984 with record first-quarter earnings of \$1.6 billion on record sales of \$22.9 billion. The results were fueled primarily by an increase in auto sales, a factor especially welcome to Chevrolet, which had been hard hit as the recession froze out its lower income purchasers.

After four years of sharp declines, Chevrolet sales rebounded in 1983. Sales were up 6.9%, from 1982's 1.4 million units. The resurgence was thinner than the 18% 1983 gain of all domestics, however.

Paralleling the industry, the big cars came back strong as the economy recovered and fuel shortage fears eased. Caprice and Monte Carlo unit sales were up, smaller Chevette and Citation unit sales were down. But front-wheel-drive compact Cavalier and intermediate Celebrity, "relaunched" with a big advertising push, posted the greatest gains in 1983 and into the 1984 model year. The Cavalier line attracted \$21.8 million in media expenditures in 1983, and Celebrity \$15.1 million.

Chevrolet increased ad spending to

an estimated \$178 million, from \$155 million in 1982, as it battled slumping sales. The biggest expenditure went to network tv, \$93 million, up from \$76 million in 1982.

Two new U.S. models were added for the 1984 model year, a station wagon version of the Celebrity in the fall and a new Corvette early in the spring. Advertising was subdued for the wagon (\$1.1 million in measured spending), but image-setter Corvette got the full treatment, including a 90-second tv spot with computer graphics, termed "Never Before."

The four-door, midsize Malibu was dropped for 1984, although the G-body coupe, Monte Carlo, continued with a sales increase.

Stung by continued publicity for numerous safety-related recalls of GM's X-car family, Chevrolet dubbed the carryover model "Citation II" with ads relating the changes made since the original 1980 model. But sales of the once-popular car fell further amid an ongoing federal trial charging that GM delayed making brake remedies. Advertising worth \$6.7 million was bought in support of Citation passenger cars.

Chevrolet went big for tv sports in the 1984 model year, including 43 World Series spots, automotive exclusivity for the 1984 Winter Olympics, heavy buys for the Summer Games in Los Angeles and largest single sponsorship for the 1984 Super Bowl.

A marketing shift was reflected in GM tv buys for the World Championship of Women's Golf, a tie-in with Bonnie Bell cosmetics for the Boston 10-kilometer women's race, "wine and cheese" parties for women at Chicago dealerships and other tie-ins with Jordache jeans and Kraft Foods.

"Women will play greater and greater roles in purchasing vehicles," said Stephen McAvoy, manager-passenger vehicle advertising. Chevrolet research shows women buying three of ten cars themselves, a figure projected to rise. The division responded by increasing spending for women's magazines in 1984.

Part of Chevy's Winter Olympics airtime was used in a "tribute" to Olympics team members, combining action-slide shots of all the athletes taken at practice locations around the world with original music.

With one-fourth of GM's 48 minutes of commercial time on the "George Washington" miniseries, Chevy elected to combine existing footage into one, two and three-minute "pods" rather than run 24 30-second spots. Actor Ken Howard and actress-tv host Sarah Purcell traded banter to tie the short commercials together and lend continuity to the pods.

The S-10 Blazer dominated the compact sports utility segment, with sales of 106,214 trucks in 1983, ahead of Ford Bronco II's 63,178 units. Chevy backed the little Blazer with a

high-glitz commercial showing it overcoming the four ancient elements: Earth, water, wind and fire. The media buy was \$16.7 million.

In 1983, Buick showed increases in both unit sales and market share. Total Buick unit sales were 845,083, a 16.9% increase. Models with the largest sales increases were the Skylark, rising 55.5%, to 72,998 in 1983, and the Century FD, 150,280, up 50.5%. Market share rose to 9.2%, compared with 9.06% in 1982.

Buick ad spending rose in 1983 to \$48.6 million, from \$43 million in 1982, with major increases in magazines (to \$10.6 million, from \$7.9 million) and network tv (to \$17.8 million, from \$13.7 million.)

Buick continued to ask, "Wouldn't you really rather have a Buick?" in 1983, only this time it was directed at an audience that wasn't ready to buy. Buick wanted its cars higher on the shopping list of those who preferred vacations and education to new wheels. "It's not just Buick against Oldsmobile or Buick against imports," said John Dabels, general director of marketing, "but it's Buick against new furniture."

In September, 1982, ads for the 1983 T-types rolled across the U.S. They departed from the usual Buick tone with a high technology feel. Rather than mentioning the "Wouldn't you really" theme line, a voiceover said, "Advanced civilizations. The Buick T-types..." The 60-second spot showed 1909, 1940 and 1959 Buicks, and it spoke of electronics, closing with "We figure it's a lot easier to know where you're going when you're sure of where you've been."

Regal coupe ads said, "Good looking outside, good thinking inside," with a woman (50% of Regal coupe buyers were women) concluding, "whoever's in charge at Buick, well, she must really be something."

The new Buick Electra, Park Avenue and T-types bowed April 5, 1984.

Leading the measured media buys for Buick were Century cars and wagons (\$6.7 million), Cimarron cars (\$6.3 million), Skyhawk cars and wagons (\$6.1 million) and Regal (\$4.8 million).

Oldsmobile increased its market share, jumping from 10% in 1982 to 11% in 1983. Total U.S. Olds sales passed the 959,000 unit mark, with sales reaching 1,007,559 in 1983, a 26% increase from 1982 sales of 799,585. The only Olds model with declining sales was the Omega X-car, falling 31.2% from 72,392 units in 1982. All other models showed significant increases in sales volume, especially the Cutlass Ciera with a 68.3% sales jump.

Oldsmobile measured ad spending decreased to \$45.5 million, from \$48 million in 1982. Declines came in every category except network tv, which rose to \$12 million, from \$9.6

million.

Oldsmobile sales of bigger cars rose 58% in the first 10 days of April, 1983. Encouraged by the figures, Oldsmobile predicted it would pass Ford division of Ford Motor Co. for the No. 2 domestic sales position behind Chevrolet in 1984.

Plans for a four-seater sporty coupe began in the spring of 1983. The new model is expected to be as exclusive to Olds as the Fiero and the Corvette are to Pontiac and Chevrolet, respectively. However, Joseph Sanchez, general manager of Oldsmobile, said Olds doesn't want to "fix what isn't broken."

"We'd be remiss if we took the Oldsmobile image and tried to change it completely," Mr. Sanchez said. He thought that Olds meant "the type of car that you aspire to somewhere in your future."

Major goals in 1983 were establishing the two new nameplates, Firenza and Cutlass Ciera, both of which debuted in mid-1982. Actor Dick Van Patten was spokesman for Delta 88 with the theme, "The family car that didn't forget the family." The 98 theme remained "luxury and logic."

The Olds Omega X-car received the least amount of ad spending, and was discontinued for the 1985 model year. Oldsmobile rear-wheel-drive vehicles also were dropped.

Although Pontiac boosted U.S. sales, market share suffered slightly, dropping from 6.1% in 1982 to 6.03% in 1983. Pontiac unit sales rose by 550, to 483,699, in 1983. Large increases were led by the Parisienne, with 1983 sales of 26,925, up from 4,176; the 6000, with sales increasing 65.8%, and the 2000/Sunbird sales jumping 54.8%.

Pontiac's new image didn't cost materially more in ad expenditures, which rose to \$55 million, from \$52.8 million in 1982. The biggest jump was in spot tv, increasing to \$10.8 million, from \$8.9 million. Network tv dipped a bit to \$19.7 million, from \$20.5 million in 1982.

Pontiac rejuvenated its comeback with a sporty performance and handling route led by the 1983-introduced single-entry, two-seater Fiero. Ad spending was \$9.2 million. "Our 1984 ad strategy is designed to maintain consistent Pontiac presence in the marketplace," said Charlene Curry, national ad manager for Pontiac. "The core of the lineup is image cars—6000 STE, Firebird Trans Am, the turbo-charged 2000 Sunbird and Fiero."

Media dollars allocated for these cars were \$10.1 million for the 6000 STE, \$7.1 million for the Firebird Trans Am, \$11 million for the 2000 Sunbird and \$9.2 million for the Fiero.

In November, 1983, Pontiac began researching the availability of after-market performance and accessory parts to enhance the desirability of Pontiac cars in the showroom. This move also would force imports han-

dled by other dealers to compete in the lower price sector, rather than compete with Buick and other more expensive models.

Firebird ads featured the Firebird girl, model Natalie Carroll, who wore only black leather outfits to establish that "womanly macho," untamed look. "We feel that car has a certain attractive menace about it, a threatening look, and we're trying to bring that through in everything we do," said James Graham, director of merchandising.

However, Pontiac didn't have much of a chance to do so in early 1983 with interest-rate advertising superseding a lot of product copy.

In late 1983, GM increased Pontiac's ad budget about 10%. Pontiac decided not to advertise in a medium unless it dominated the advertising. That included 204 more magazine ad pages in model-year 1984, but in 10 fewer publications. Network tv was limited to professional football and sports.

Cadillac posted gains in market share, reaching 3.27% in 1983, compared with 3.1% in 1982. Total Cadillac U.S. retail sales rose to 300,337 units, up 20.5% from 249,295 in 1982. Each model had significant sales increases, the Cimarron and Seville sales increasing nearly 40% each, Eldorado rising 25.1% and Cadillac 14.1%.

Cadillac had about 32% of luxury car sales, the rest going to such competitors as Lincoln-Mercury, some Oldsmobile and Buick models, and European imports, including BMW, Audi, Mercedes-Benz and Jaguar. Cadillac predicted it would take an additional 2% of the market share in 1984.

Cadillac was included in the Buick-Oldsmobile-Cadillac group, dubbed Company B, in the January reorganization of GM. John O. Grettenberger, Cadillac's new general manager, confirmed reports saying GM likely will set up its Cadillac division as an independent third Company C, although reports later were denied.

GM thought Cadillac needed its own specific identity with no blurring of images. To do this, Cadillac will introduce a new product every year for the next three or four years. This includes plans for a possible 1986 "super Cadillac," a two-seater convertible in the \$35,000-to-\$40,000 range, competing against such imports as the Mercedes 380SL Roadster. "We want to reestablish the degree of exclusivity the Cadillac nameplate has always stood for," Mr. Grettenberger said.

Although it is the smallest of GM's five car-making divisions, Cadillac has been the most independent and usually the most profitable on a per-unit basis. Cadillac will not emerge as a third group for at least three to five years, according to the company.

In early 1983, Cadillac was accused of building not a "world class" car, but simply a "super Chevy"—a dig at the

OUR COMBINATION GIVES YOU A LOCK ON PHILADELPHIA

Of all the daily-combination buys in the United States, one has to be the largest. The Philadelphia Inquirer and Daily News is. By far.

Our total circulation is 849,000, making us the unquestioned base buy in America's #4 market.

Successful marketing is no secret. All you need is the right combination.

THE PHILADELPHIA **Inquirer** AND PHILADELPHIA DAILY **NEWS**

The largest daily-combination buy in America

For your own lock on the market—in solid chrome—contact your nearest Knight-Ridder Newspaper Sales representative

SOURCE: ABC Audit Reports for 12 months ended March 31, 1983.

Cimarron. Robert Burger, then general manager of Cadillac, said that although the Cimarron is at the low end of the luxury class, it performs as an entry-level vehicle to attract younger buyers, and still has "traditional Cadillac ride and handling."

In September, 1983, Cadillac added the Eldorado Biarritz convertible to its 1984 line to lure younger buyers into the market.

Another lure was the "C-body" car, a front-wheel-drive vehicle that is about 2 ft. shorter, 600 lbs. lighter and more fuel efficient than the rwd DeVille and Fleetwood models it was designed to replace. The C-body's intended fall, 1983, introduction was moved back to April 5, 1984, due to startup problems. Cadillac said it probably would have set a new sales record in 1984 if there had been no delay, because the car tested well with younger and import buyers. About 40% of C-body sales were expected to be conquests of other makes. Cadillac's ad spending edged up to \$22.5 million, from \$21.6 million in 1982, with most spending in network tv and magazines.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$88,578,500	\$82,000,090
Magazines.....	89,020,000	86,079,700
Farm publications.....	1,740,900	1,596,400
Spot tv.....	25,678,400	27,244,200
Network tv.....	201,350,400	164,261,500
Spot radio.....	29,079,400	20,339,200
Network radio.....	9,410,700	7,983,100
Outdoors.....	4,183,300	5,009,000
Total measured.....	449,841,600	394,413,100
Unmeasured.....	146,087,900	154,586,900
Estimated total.....	\$595,929,500	\$549,000,000

GENERAL MOTORS

Sales & Marketing Personnel

R.D. Lund, vp-sales and mktg
J.N. Stewart, exec director-mktg
D.J. Teasdale, director-adv
J.W. Finney, asst adv mgr-media
D.P. Bolen, asst adv mgr
Mary M. Jarman, adv super
Margaret M. Rafferty, super-adv contract dept
Margaret Hudzik, adv traffic coordinator

Advertising Agency

D'Arcy MacManus Masius, Bloomfield Hills, Mich.—Ronald Monchak, chairman; Robin Smith, vice chairman-mgmt super; William A. Mara, vp-acct super; Stephen Kopcha, exec vp-creative director.

PUBLIC AFFAIRS

J.W. McNulty, vp-public relations
G.H. Pruette, director-public affairs
Hugh Wells, mgr-creative services
R.M. Pannecouk, coordinator-public affairs

Advertising Agency

N.W. Ayer, Detroit—Louis T. Hagopian, chairman and ceo (New York); Robert R. Kingsbury, senior vp-genl mgr; Richard N. Prince, senior vp-mgmt super; R.C. Morrison, vp-acct super; Deborah Worrell, vp-acct super; Douglas Marshall, Steve Swanson, Catherine Teeple, acct execs; Debra Jacopelli, asst acct exec; Jerry Siano, vice chairman-worldwide creative director; John Walsh, senior vp-exec creative director; Earl Shorris, senior vp-corporate planning; Bill Ford, vp-creative director; Tom Wehner, Ora Frutkin, vp-creative super; Edward Gross, senior writer; Bruce Engelson, John Umlauf, art directors; Randall Schroeder, vp-media director (Detroit); Richard Doyle, media super; Denise Mazetti, media buyer; Robert Iglie, vp-network broadcast director; Frederick Dubin-network broadcast super.

CHEVROLET MOTOR DIVISION

Marketing Personnel

R.D. Burger, genl mgr
R.E. Cook, genl sales mgr
T.A. Staudt, genl mktg mgr
R.W. Starr, asst genl sales mgr-field
M.H. Erdman, sales mgr-trucks
T.R. Chick, director-natl adv
S.D. McAvoy, mgr-passenger car adv
H.J. Cordes, mgr-truck and station wagon adv
J.J. Williams, director pr

Advertising Agency

Campbell-Ewald Co., Warren, Mich.—T.B. Adams, chairman; P.L. John, vice chairman and ceo; P.A. Dow, president-chief operating officer; S.K. Fitzpatrick, exec vp-creative director; W.J. Tausch, exec vp-acct director; R.S. Macedo, group senior vp-associate acct director; H.E. Allen, senior vp, mgmt super-car; T.R. Boyd, A.J. Hopp, senior vps, mgmt super-truck; R.D. Eick, vp, mgr-car merch; F. Fraser, vp, director-automotive mktg; W.R. Kennedy, vp, director-prod info; W.S. Schindler, senior vp-pr; R.G. Smith, senior vp-strategic planning rch; D.D. Williams, senior vp, mgmt super-car; L.B. Rood, senior vp, associate creative director.

PONTIAC MOTOR DIVISION

Marketing Personnel

J. Michael Losh, genl mgr
W.W. Lane, genl sales mgr

H.S. Christie, asst genl sales mgr-East
W.J. Atkinson, asst genl sales mgr-West
C.E. Chambliss, asst genl sales mgr-service
R.E. Benson, asst genl sales-mktg
W.H. Ross, asst genl sales mgr-admin
C.A. Curry, adv mgr
T.H. Joyce, merch mgr
B.G. MacDonald, director-pr
J.H. Graham, director-productions and communications

Advertising Agency

D'Arcy MacManus Masius, Bloomfield Hills, Mich.—Harold G. Bay Jr., chairman and ceo-worldwide; Peter Redsell, chief operating officer-worldwide; John Balson, chief operating officer-worldwide (North America); Craig Brown, cfo-worldwide; Alan Pilkington, director, business development-worldwide; Al Hampel, director, creative services-worldwide; Steve Arbeit, director, multinational client services-worldwide; William V. Haney, exec asst to ceo-worldwide; Ronald W. Monchak, chairman (Bloomfield Hills); Robin Smith, vice-chairman (Bloomfield Hills); James T. Doyle, president (Bloomfield Hills); Stephen C. Kopcha, exec creative director; John T. Greening, director-strategic planning; Donald B. Effler, mgmt super-Pontiac; Mark G. Giovik, acct group super; Randall N. Lund, George Acree, Patricia Augur, Michael Valant, William K. Rankin, Richard W. Halladay, Michael Joy, acct execs; Patricia Brown, acct mgr; Noel Nauber, creative director; Peter DeLorenzo, associate creative director; Arthur Morat-senior vp-Greenhouse (Bloomfield Hills); Lucien DiSalvo, George Scott, senior vps-Greenhouse (Bloomfield Hills); George Rogers, media director; Robert Brownell, director-production and traffic; Ronald J. Wroblewski, mgr-corporate spot broadcast; R. Patrick McCarthy, director-communications; Jo Bourjaily, mgr-communications.

BUICK MOTOR DIVISION

Marketing Personnel

D.E. Hackworth, genl mgr
J.C. Perkins, genl sales mgr
J.J. Faerber, asst genl sales mgr-admin
R.L. Ingersoll, asst genl sales mgr-east
W.E. Edgar, asst genl sales mgr-west
R.E. Coletta, asst genl sales mgr-midwest
L.D. Robbins, asst genl sales mgr-central
H.E. Savage Jr., director-adv
T.L. Pond, director-pr

Advertising Agency

McCann-Erickson Worldwide, New York —Eugene H. Kummel, chairman exec committee; Willard C. Mackey Jr., chairman-cco; John F. Bergin, vice-chairman (McCann-Erickson USA); Richard J. Busciglio, senior vp; Eugene A. DeWitt, exec vp.

McCann-Erickson, Troy, Mich.—Gerald C. Atkin, exec vp-genl mgr; Richard A. Hill, vp-acct super; Harold W. Randall, vp, acct super-prod info; Todd Ralph, Keith Man-

dish, acct execs-adv; Jerry Fronczak, Cathy Thompson, acct exec-prod info; James L. Ramsey, senior vp-exec creative director; W. Brien Schweikart, vp-media director.

OLDSMOBILE DIVISION

Marketing Personnel

J.J. Sanchez, genl mgr
J.F. Mattox, genl sales mgr
D.L. Neisch, asst genl sales mgr-east
E.M. Schlesinger, asst genl sales mgr-mktg and dealer

F.J. Asbell, asst genl sales mgr-west
C.L. Fisher, admin assist to genl sales mgr
L.C. Myers, director mktg
P.F. Workman, director pr

Advertising Agency

Leo Burnett Co. of Michigan, Southfield, Mich.—John C. Ryan, exec vp-genl mgr; Robert K. Bailey, vp-acct super; Joseph P. Henry, vp-media director; Robert G. Smith, Lawrence Doyle, acct execs; William F. Swing Jr., vp-director merch; Roger Bodo, vp-creative director (Detroit); Edwin L. Scully, vp-office mgr, secretary-treasurer; Thomas J. Boyle, acct director.

CADILLAC MOTOR CAR DIVISION

Marketing Personnel

J.O. Grettnerberger, genl mgr
L.B. Pryor, genl sales mgr
W.R. Lewellen, asst genl sales mgr-service
C. Chynoweth, asst genl sales mgr-east
Ellie R. Torre, asst genl sales mgr-admin
J.R. Kitzmiller, asst genl sales mgr-west
R.B. Welday, director-merch
F.R. Cadicamo, asst director-merch
Sheri J. Perelli, director-pr

Advertising Agency

D'Arcy MacManus Masius, Bloomfield Hills, Mich.—H.G. Bay Jr., chairman and ceo-worldwide; William V. Haney, senior vp, exec asst to chairman-worldwide; Ronald W. Monchak, chairman (Bloomfield Hills); Alex Morton, senior vp-mgmt super; Selby (Sy) Cook, vp-Cadillac creative super; Ned Sale, vp-group super; Jo Bourjaily, mgr, internal-external communications; Robert Wallace, John Krausmann, vps-acct super.

GM TRUCK & BUS GROUP

Marketing Personnel

Donald J. Atwood, exec vp, GMC-in charge of worldwide truck and bus, power prods, defense, and component operations
Robert L. McKee, mgr-truck and bus mfg
Ross M. Haun, genl mfg mgr
John D. Rock, mgr-GMC truck and coach
Duncan A. Brodie, genl director-truck sales
Edward R. Stokel, director-public transportation
Donald C. Huss, director-pr
Candace M. Robbins, mgr-adv

Advertising Agencies

McCann-Erickson Worldwide, New York —Eugene H. Kummel, chairman exec com-

mittee; Willard C. Mackey Jr., chairman-cco; Robert L. James, president-cco.
McCann-Erickson, Troy, Mich.—Gerald C. Atkin, exec vp-genl mgr; Ronald F. Gauss, senior vp; Glynn L. Armitage, vp-acct super; Patrick J. Simmons, acct exec; Jan L. Woznick, vp, director-rch strategic planning; James L. Ramsey, senior vp-exec creative director; Brien Schweikart, vp-media director; Edward A. Fleig, associate media director.

AC-DELCO

Marketing Personnel

R.J. Smith, genl mgr
J.M. McKenzie, sales mgr-operations
J.P. Kane, director-mktg and forward planning
D.K. Collier, mgr-adv sales promo and pr

Advertising Agency

Campbell-Ewald Co., Warren, Mich.—T.B. Adams, chairman; R.D. O'Connor, vice-chairman (New York); P.L. John, vice-chairman and ceo; P.A. Dow, president-cco; R.H. Schirmer, exec vp; I.W. Beaton, senior vp-group mgmt super; G.O. Wold Jr., vp-senior acct super; R.E. Guerrier, vp-acct super; M.J. Brogan, vp, senior acct super (intl); E.F. Taylor, exec vp, director-creative services; L.M. Schultz, exec vp, director-media services; D.J. Kuzma, acct exec.

DELCO ELECTRONICS DIVISION

Marketing Personnel

D.J. Almquist, genl mgr
J.C. Crawford, genl sales mgr
A.W. Mattaliano, asst genl sales mgr
S.S. Horner, adv mgr
W.B. Draper, director pr

Advertising Agency

Campbell-Ewald Co., Warren, Mich.—T.B. Adams, chairman; R.D. O'Connor, vice-chairman (New York); P.L. John, vice-chairman and ceo; P.A. Dow, president-cco; R.H. Schirmer, exec vp-acct mgmt; I.W. Beaton, senior vp-group mgmt super; R.E. Britton, senior vp-acct mgmt; R.C. Morgan, vp-acct super.

GENERAL MOTORS PARTS

V.R. Peters, genl director
J.T. O'Connor, sales mgr-mktg
S.D. Segalini, sales mgr-East
C.S. Wagner II, sales mgr-Central
E.L. Schreitmuller, sales mgr-West
E.J. Carey, sales mgr-admin
E.M. Green, sales mgr-dealer devel and services
R.T. Strohman, sales promo-adv mgr
F.M. McCurdy III, director-pr

Advertising Agency

D'Arcy MacManus Masius, Bloomfield Hills, Mich.—Harold G. Bay Jr., chairman and ceo-worldwide; Ronald W. Monchak, chairman (Bloomfield Hills); Theodore T. Teegarden, exec vp-mgmt super; Charles S. Brandt, vp-group acct super; D. Bruce Hutch-chison, acct super; F. Michael Koch, Cheryl A. Kerns, acct execs; Patrick C. Fan-

nin, Karen L. Ayala, asst acct execs.

GENERAL MOTORS ACCEPTANCE CORP.

Marketing Personnel

R.F. Murphy, president
G.R. Samardich, exec vp
C.A. Krauss Jr., vp-industry, govt and pr

Advertising Agency

Campbell-Ewald Co., Warren, Mich.—T.B. Adams, chairman; R.D. O'Connor, vice chairman (New York); P.L. John, vice-chairman-cco; P.A. Dow, president-cco; R.H. Schirmer, exec vp; J.J. O'Neal, group senior vp.

Gillette Co.

	1983	1982
Sales*	\$2,183,297,000	\$2,236,979,000
Earnings*	145,876,000	135,190,000
U.S. Advertising	185,604,400	163,000,000

*Worldwide

Gillette Co., Boston, the 35th largest national advertiser, increased its ad spending 14%, to an ADVERTISING AGE estimated \$185.6 million in 1982.

Worldwide sales in 1983 decreased 2%, to \$2.183 billion. Earnings managed an 8% increase. Sales for U.S. and Canada were \$1.02 billion in 1983, vs. \$998.4 million in 1982.

Gillette's performance has picked up steam during the first half of fiscal 1984 ended June 30. During the period, earnings were \$78.3 million, up 11.2% from the corresponding period a year earlier, on sales of \$1.097 billion, up 2.3%.

For 1983, Gillette's four major lines and the percentage contribution to total sales of each were: Blades and razors, \$755 million, 35%—a percentage virtually unchanged from the previous year; toiletries and cosmetics, \$688 million, 31.5%, up from 29.8%; writing instruments, \$253 million, 12%, down from 12.1%; Braun products, \$382 million, 17.5%, down from 18%.

Profits decreased lightly for blades and razors and moderately for toiletries and cosmetics. Profits for Braun products were much more than those of 1982, while profits of writing instruments declined.

Over the past year, the company has continued its traditionally aggressive marketing policies, most notably in the launch of new products, which included Foamy Gel shaving cream in November, 1983; Body Flowers perfumed body spray/deodorant; the Good News Pivot, a razoring version of its Good News razor system, and Bare Elegance, moisturizing liquid soap for use in the shower.

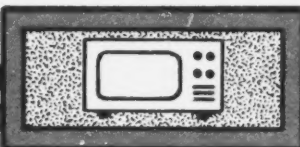
During the first half of 1984, Gillette announced it would launch nationally Brush-Plus, an all-in-one brush and shaving concentrate system. The company also rolled coast to coast with a revamped version of its Silkience self-adjusting haircare line. Ad campaigns for both commenced this summer.

Analysts consider the Silkience relaunch critical for the personal care division. "The shampoo market has become bitterly competitive," said Diana Temple, an analyst who follows Gillette at Salomon Brothers. "And neither FOHO nor Mink Difference seem to have what it takes to make it. Their shares have shrunk to very low, nominal levels—less than 0.5%." In the highly fragmented shampoo business, Ms. Temple said, it is difficult for brands to recover once their shares drop to such low levels.

Sales for the U.S.-based toiletries and cosmetics division posted a modest advance in 1983. Profits were moderately less than those of last year. Domestic sales grew moderately, primarily reflecting the introduction of Body Flowers body spray and the sustained vitality of Dry Idea roll-on antiperspirant.

Despite Gillette's concentration on hair and skincare products, deodorants and antiperspirants remain the most important products in the personal care division.

A dominant name in its category for more than 20 years, the Right Guard brand name was the subject of a major \$28 million revitalization process during 1983 that included improved formulations and packaging, as well as dramatically increased ad-



The top 25 network tv advertisers

Rank	Advertiser	Expenditures (\$000)			
		1983	1982	1983 as % of total advertising exp.	1982 as % of total advertising exp.
1	Procter & Gamble Co.*	\$366,663.1	\$390,495.4	47.4	53.8
2	General Motors Corp.*	201,350.4	164,261.5	33.8	29.9
3	Ford Motor Co.*	172,308.1	128,885.4	36.0	41.1
4	General Foods Corp.*	170,064.5	232,349.4	44.0	54.2
5	American Home Products Corp.*	161,435.0	160,767.2	48.4	49.4
6	American Telephone & Telegraph Co.*	146,603.8	95,086.2	31.7	25.5
7	Sears, Roebuck & Co.*	145,006.8	102,563.8	19.8	16.2
8	Johnson & Johnson*	131,265.9	121,845.3	44.4	45.1
9	Philip Morris Inc.*	128,266.1	110,845.0	24.3	22.1
10	Bristol-Myers Co.*	120,974.3	105,717.0	51.5	51.6
11	Anheuser-Busch Cos.*	116,515.2	95,676.5	40.1	39.3
12	Unilever U.S.*	110,302.6	111,811.7	34.0	36.7
13	General Mills*	100,279.1	93,628.5	37.3	38.3
14	Coca-Cola Co.*	95,888.7	87,208.5	34.0	34.2
15	Ralston Purina Co.*	94,438.5	82,570.7	33.1	37.5
16	Beatrice Cos.*	88,563.6	N/A	14.7	N/A
17	Dart & Kraft*	87,414.8	61,743.6	41.6	31.0
18	Warner Communications*	84,243.6	75,533.0	33.6	32.5
19	Chrysler Corp.*	84,193.7	68,219.5	36.6	39.4
20	Sterling Drug*	82,660.0	66,383.7	48.1	47.4
21	Nabisco Brands*	82,018.0	66,578.8	22.3	19.9
22	McDonald's Corp.*	80,930.9	59,875.9	26.0	22.5
23	Beecham Group p.l.c.*	78,806.6	66,725.1	58.8	55.3
24	Gillette Co.*	75,285.5	74,025.4	40.6	45.4
25	Warner-Lambert Co.*	74,638.9	81,015.4	21.7	27.5

Source: Net time and program costs from Broadcast Advertisers Reports and supplied to Leading National Advertisers.
*Indicates a 100 Leading National Advertiser

vertising.

Spurred by the good reception given Foamy Gel shave cream, introduced in late 1983, domestic shave cream sales moved well ahead of a year earlier, with the Foamy brand maintaining its dominant market share. According to recent figures compiled by Ms. Temple, last year Gillette (with Foamy and Trac II shave creams) commanded 26.8% of the shaving preparation market, a figure that has dropped gradually over the years; it was 33.8% in 1979.

Sales and profits for blades and razors were slightly lower in 1983. In its seventh marketing year, the Atra pivoting head twin-blade shaving system continued to make progress in the U.S. Both Atra cartridges and razors retained their leading share positions, with the Atra razor growing at the fastest rate of any domestic brand.

Domestic sales of disposable razors moved well ahead of a year earlier, principally because of the Good News brand, the best-selling disposable for the past eight years. A strong surge in demand for the Daisy women's disposable razor also contributed to the upward trend.

In August, 1984, word was out that Gillette would introduce a new, state-of-the-art shaving system in 1985. Although no details on the product were disclosed, sources close to the company believe it incorporates either new metallurgical variations or wire or glass cutting edges.

Gillette has strengthened its position in the worldwide shaving market with the establishment of joint venture blade manufacturing operations in China and Egypt.

In the Paper Mate division, sales of writing instruments declined somewhat, but profits rose due to an ebbing of the price wars that had eroded profits in the early 1980s. On a global basis, Gillette remains the world's largest marketer of writing instruments, ranging from inexpensive pens to luxury fountain pens and pencils, the latter manufactured by the company's subsidiary S.T. Dupont of France.

Paper Mate also set in motion the introduction of a roller entry, dubbed the Accu-Point roller pen, which will do battle in the \$125 million roller pen market that Scripto entered earlier this year. Gillette also introduced the Paper Mate Sharpwriter pencil, another first for the division. The two products together will be backed by a \$5 million campaign, with McCann-Erickson, New York, handling consumer advertising and Hill, Holliday, Connors, Cosmopolis, Boston, handling trade ads and promotions.

Last year, Gillette pursued a trimming strategy in the Braun division, which produced a drop in sales—from \$403.4 million to \$381.7 million—but a sharp rise in profits. The company continued to divest Braun of its photo and hi-fi businesses to concentrate on small household appliances, most marketed exclusively in Europe.

But the big news at Gillette over the past year was its agreement in principal, signed in early April, to buy the

toothbrush-making and dental-care operations of Cooper Laboratories of Palo Alto, Cal., for \$188.5 million. At the time, Gillette cited the fact that Cooper's Oral-B Laboratories subsidiary leads the U.S. toothbrush market with about a 27% share. During 1983, Oral-B had sales of about \$120 million.

By and large, analysts have applauded Gillette's interest in Oral-B; toothbrushes, they said, would be a welcome addition to Gillette's traditional stable of cosmetics, grooming aids, writing instruments, lighters and small appliances. Oral-B also makes Zendum toothpaste and dental floss.

Analysts' optimism also was based on what Gillette can bring to Oral-B—most notably, its consumer marketing skill and ability to market huge volumes of low-priced, disposable plastic and metal products. In addition, about 40% of Oral-B's business is overseas, an area where Gillette is strong.

In August, 1984, Gillette acquired Elizabeth Grady Face First National Corp., which operates a chain of seven owned and four franchised skin-care salons, with sales of about \$2 million in 1983. Gillette plans to expand the chain in the Boston and New England area.

Acquisitions are not the only way in which Gillette has made the news. In December, the company abruptly fired the agency Advertising to Women after seven years. The firing was the corporate reaction to the negative publicity surrounding ATW chairman John Ernst's guilty plea in August, 1983, to charges of tax evasion.

In a prepared statement, Gillette said the action "follows a review of tax proceedings in which Advertising to Women's former chairman was involved in federal court earlier this year... events surrounding that proceeding had led to a strain in the client/agency relationship."

Advertising to Women's share of Gillette's business amounted to some \$20 million. The business was relocated to three agencies: Young & Rubicam, which gained Silkience and For Oily Hair Only (FOHO) skin and hair-care lines (\$14 million); N W Ayer, which added Body Flowers (\$11.1 million), and Marschalk, which was awarded Toni (\$4 million).

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$1,839,300	\$3,525,600
Magazines.....	9,237,900	8,276,000
Spot tv.....	11,394,400	8,642,300
Network tv.....	75,285,500	74,025,400
Spot radio.....	1,455,800	—
Network radio.....	2,691,600	—
Total measured.....	101,904,400	94,469,300
Unmeasured.....	63,700,000	68,536,700
Estimated total.....	165,604,400	163,006,000

GILLETTE CO.

ADVERTISING SERVICES DIVISION

Thomas T. Ryan, vp
Thomas A. Lux, director-spot/print/barter/new technologies
Allen K. Gibbs, director-media services
Ronald Harding, director-tv commercial production
Howard Fisher, director-tv-network buying
Robert J. Evans, director-promo services

SAFETY RAZOR DIVISION

Marketing Personnel

Derek W.F. Coward, vp-mktg
A. Bruce Cleverly, mktg mgr-disposable shavers & lighters
Joseph H. Crist, mktg mgr-new prods
Robert Leger, mktg mgr-permanent refillable razors
W. Scott Roberts, vp-sales

Advertising Agencies

BBDO, New York—Atra, Good News!, Good News! Pivot, Trac II—Atra: Ken Rodgers, exec vp-mgmt director, Michael Ohearn, mktg services mgr, Michael Paxton, vp-mgmt super, Phil Dusenberry, exec vp-creative director, Geri Roper, acct super (Good News! and Trac II); Bob Schlesinger, senior vp-associate creative director; David Sarafin, acct exec (Good News! and Good News! Pivot).

Marschalk Co., New York—Daisy, Widget—Andrew Langer, president; Michael Krugman, vp-acct super, Dick Villante, Barry Linsky, exec vp, Jim Overend, acct exec.

PERSONAL CARE DIVISION

Marketing Personnel

Robert N. Forman, vp-mktg
John Darmon, mktg, mgr, skincare and homecare
Michael Nadelberg, mktg mgr, deodorants/antiperspirants and hairsprays
M. Gage Heath, mktg mgr, shampoos/conditioners

Advertising Agencies

Young & Rubicam, New York—Right Guard, FOHO shampoos and rinses, Silkience shampoo and conditioner—Ed Lebar, mgmt super, Amy Handlin, acct super.

BBDO, New York—Soft & Dri, Dry Look, Dry Idea—Bill Kelly, mgmt super.
Marschalk Co., New York—Trac II and Foamy shave creams, Foamy gel, Bare Elegance moisturizing soap, Tame, Toni—Dan Cohen, mgmt super.

N W Ayer, New York—Adorn, Body Flowers, White Rain, Mink Difference, Aapri—Stan Mattison, mgmt super.

PAPER MATE DIVISION

Marketing Personnel

Joel P. Davis, vp-mktg
Maureen C. Moriarty, mktg mgr, new prods/new business
Carmen A. Comite, mktg mgr, established brands
Robert Warren, senior prod mgr-new prods/new business
J.A. Morrison, prod mgr-refillable systems
Scott G. Searle, prod mgr-porous prods
Kathleen Leone, prod mgr-correction fluids

Advertising Agencies

McCann-Erickson, New York—Paper Mate ballpoint pens, Eraser Mate, Flair porous prods—Ian Hooper, senior vp, Larry Coppersmith, acct super.

Hill, Holliday, Connors, Cosmopolis, Boston—Liquid Paper, S.T. Dupont (U.S.), Paper Mate trade advertising—John Fitzgerald, senior vp; John Riley, acct super.

JAFRA COSMETICS INC. (USA)

Thomas C. Grant, president.

Goodyear Tire & Rubber Co.

	1983	1982
Sales.....	\$9,735,000,000	\$9,589,200,000
Earnings.....	305,500,000	329,800,000
U.S. Advertising.....	\$7,831,700	\$4,995,400

*Worldwide

Goodyear Tire & Rubber Co., Akron, O., the world's largest manufacturer of tires and rubber products, was the 96th largest national advertiser in 1983 with \$57.8 million in expenditures, an increase of 29% over 1982.

Goodyear reported net income of \$305.5 million, down 7.4% from 1982, on sales of \$9.736 billion, an increase of 1.5%. Revenues from U.S. operations accounted for \$6.794 billion, or 70% of total sales.

Goodyear's principal business is the manufacture, distribution and sale of

tires, but the company also manufactures metal, rubber and plastic and high-tech products in its 56 plants in the U.S. and 45 plants in 27 other countries.

During 1983, like the auto makers, Goodyear placed both product and advertising emphasis on performance. In the case of Goodyear, it was for Eagle radials. A series of magazine ads documented strong auto original equipment acceptance of Eagle radials and featured Camaro, Thunderbird, Mustang, GT, Shelby, Datsun 280ZX and Corvette. The campaign helped push measured magazine spending to \$5 million, more than double the preceding year.

The ad featuring Corvette described how Goodyear's Eagle VR50—called the Gatorback radial because of its distinctive unidirectional tread—was adapted from Formula One racing rain tires to become an integral part of Corvette's tuned-suspension system.

Also in 1983, Goodyear geared up for the intensive multi-million-dollar announcement campaign that broke during the Winter Olympics telecasts from Sarajevo, Yugoslavia. The campaign, bearing the slogan, "Say Hello to Vector," will continue through 1984.

It was largely because of the buys during Olympic telecasts that advertising expenditures on network tv increased nearly 50%, to \$22.63 million in 1983.

The company chose to emphasize its tires linked to the high-performance autos, which are playing a major role in Detroit's attempt to win back the loyalty of the American consumer. The campaign received the Gold Effie award from the New York chapter of the American Marketing Assn.

Goodyear earned good position in the competition for high-performance credibility when both the official pace car and the winning racer at the 1983 Indianapolis 500 were equipped with Goodyear Eagle race tires. It received further kudos when 1984 winner, Tom Sneva, drove on Eagles, and the Pontiac Fiero pace car was equipped with Eagle VR50 Gatorback radials.

The company's retail advertising now is integrating ads for company-owned stores and independent dealers. Advertising manager J.R. Houlette said this "one voice" approach helps "create a simpler buying decision" for the consumer and "internally, it draws all retail elements into a more unified marketing effort."

The measured media portion of Goodyear's total advertising budget rose in 1983 to \$40.8 million, an increase of 36.5%. Major ad support of \$24.3 million was provided for the broad category—Goodyear tires for car and truck—up from \$12.6 million in 1982; Goodyear tires for cars, \$4.8 million, up 14%; Goodyear tires for trucks, \$2.9 million, up 71%; Kelly-Springfield products, \$1.2 million, down 25%, and Goodyear automotive service stores, \$6.7 million, down 26%.

In 1983, Goodyear arranged with Citibank to offer credit cards for customer use at both Goodyear owned stores and all independent participating dealers.

The company says its nontire sales are climbing worldwide with such predictable items as automobile belts and hoses and also with a running-shoe sole material named "Indy 500." Major shoe manufacturers—Converse, Tiger and Etic—also are using the new sole, which also is being advertised in *Runner* and *Runner's World*.

In agency changes, J. Walter Thompson USA was selected from a list of five agencies to handle the Goodyear North America account, a virtual consolidation of major portions of business.

Goodyear also named McCann-Erickson to handle all Goodyear advertising in 33 countries. The agency has handled Goodyear business in South America and the Far East for the past 24 years.

In November, 1983, John P. Kelley, vp-advertising, retired after 24 years to be replaced by George S. Lenox, who had been director of advertising. James K. DeVoe, who earlier in the year moved from RCA in Indianapolis to Goodyear as assistant advertising director, moved up to director.

A diversified company, Goodyear also manufactures synthetic rubber, several lines of chemicals and numerous high-technology products for aerospace, defense and nuclear energy. Keenly aware of its roots in general consumer products, Goodyear nonetheless sees its high-tech aerospace and defense business as a key area for growth.

The company now makes wheels and brakes for the military ad flight simulators for testing pilots, all very classified. Goodyear also is involved in computer programming related to radar feedback.

The 1983 acquisition of Celeron Corp. of Lafayette, La., broadened Goodyear's holdings to include natural gas transmission systems, principally in Louisiana, and on-shore and off-shore oil and gas exploration and production in the U.S. Celeron facilities also include about 2,700 miles of intrastate and interstate gas pipelines and three gas processing facilities. Houlette predicts Celeron will play a key role in Goodyear's projected 10-year effort to increase the nonautomotive base of its business.

Worldwide, Goodyear employed an average of 128,760 persons in 1983, including more than 65,600 in the U.S.

ADVERTISING EXPENDITURES

	1983	1982
Magazines.....	\$4,999,100	\$2,098,500
Farm publications.....	407,300	—
Spot tv.....	11,653,000	11,680,800
Network tv.....	22,632,700	15,290,700
Spot radio.....	261,700	10,300
Network radio.....	655,600	600,600
Outdoor.....	232,900	216,600
Total measured.....	40,831,700	29,905,400
Unmeasured.....	17,000,000	15,000,000
Estimated total.....	57,831,700	44,905,400

Advertising Personnel

George S. Lenox, vp
James K. DeVoe, director
Charles O. Cramer, mgr-adv, tire div
James A. Neawedde, adv mgr-auto tires
Norbert J. Drol, adv mgr-truck and farm tires
David G. Oby, mgr-retail adv
Davis M. Jones, mgr-retail adv planning
Charles P. Lehman, adv mgr-dealer adv
Roger L. Zwinger, adv mgr-company-owned outlets
C. Ronald Graham, mgr-genl prods adv
James T. Manning, adv mgr, chemicals, roofing, aerospace
Lee Wrobbel, adv mgr-industrial prods and films
George S. Drop, mgr-media services
Grant R. Erickson, mgr-audiovisual center
Donald H. Watt, mgr-visual merch
W. John Schick, mgr-adv admin
Jack R. Houlette, mgr-creative adv

Advertising Agencies

J. Walter Thompson USA, New York—Robert G. Beauregard, North America mgmt director; Peter Hanley, senior vp-acct director.

McCann-Erickson, New York—Peter J. Kennaby, worldwide mgmt director.
Wyse Advertising, Cleveland—Marc A. Wyse, president and genl mgr.

Norman Malone Associates, Akron, O.—Harry P. Stitzlein, chairman.

GrandMet U.S.A.

	1983	1982
Sales.....	\$1,340,000,000	\$1,872,000,000
Earnings.....	**148,000,000	77,000,000
U.S. Advertising.....	\$5,566,300	\$4,000,000

*Worldwide **Operating income

GrandMet USA, Montvale, N.J., the nation's 97th largest advertiser, spent an estimated \$55.6 million in advertising in 1983, a 3% increase over 1982. GrandMet sales of \$1.34 billion

YOUR NICKEL GOES FARTHER IN BUFFALO



Buffalo ranks second among the six Great Lakes markets in total retail sales development. And The Buffalo News is read by more than 68% of CMSA adults daily and more than 77% Sunday. No one covers Buffalo's \$12.8 billion buying public like The News.

THE BUFFALO NEWS

For complete co-op advertising information, Call Fran Poitras (716) 849-3402

Source: Scarborough Research, 1983. Represented nationally by Sawyer-Ferguson-Walker Company, Inc.



YOU LOOK GREAT IN OUTDOOR

IOA

INSTITUTE OF OUTDOOR ADVERTISING

were up 25% as was operating income of \$148 million.

GrandMet, a subsidiary of Grand Metropolitan p.l.c., is divided into five main product groups: Cigarets and tobacco products, spirits and wines, pet foods, soft drink bottling and distribution, and sporting goods.

Cigarets account for the largest share of GrandMet's sales. Cigaret sales soared 49%, to \$562 million in 1983. (Excluding excise tax, cigarette sales rose from \$306 million to \$382 million.)

All the cigarettes are produced and distributed by Liggett & Myers Tobacco Co., Durham, N.C. L&M is the nation's sixth largest cigarette company and produces many top brands including Eve, Chesterfield, Lark and L&M. However, it is the company's generic brands that accounted for a major part of the gain in unit sales in 1983.

Until 1984, Liggett & Myers had the generic market to itself. But no more. R.J. Reynolds Tobacco Co. has introduced its Doral cigarette unbranded at generic prices and Brown & Williamson Tobacco Corp. also has unveiled a generic. Industry analysts say growth of generics has leveled off at about 4.2% of the total market, so the competition in the market could erode Liggett's market share.

In fact, some say the flattening of the generic market was a reason plans were discontinued to sell the GrandMet cigarette business to management. Early in 1984, the company announced it was considering a leveraged buyout offer by members of Liggett management and an outside investment group.

In 1983, Liggett ran a national ad campaign stressing the value of generic cigarettes in the face of the increased excise tax. The campaign consisted of \$229,000 in outdoor and about \$500,000 in newspapers.

Several of L&M's brands did well in 1983. The Eve brand, including the new Eve 100 box, was the strongest branded performer for the company. It received the bulk of Liggett & Myers' ad expenditures for cigarettes. The Eve line attracted \$7 million in measured ad spending, the largest outlays going to Eve Light, 100s and 200 filters, and Eve Slim Lights 100s filter and menthol.

The Eve brand that received the highest ad expenditures was Eve Slim Lights 100s filter and menthol. The company spent \$4 million on those brands, including \$3.8 million in magazines and \$186,000 on outdoor media. Eve 100 and 120mm brands drew about \$2 million in measured expenditures, all in magazines.

L&M also introduced two new brands in 1983: Dorado and L&M Superior. Both were introduced via outdoor boards in the Southwest for total spending of less than \$100,000.

Operating income for the cigarette division increased 25%, to \$60 million.

GrandMet made two acquisitions that gave it additional strength in the growing pet food category in 1983. In May, the company acquired rights to Tabby cat food, as well as all business related to the brand. Since the acquisition, the company has added the Alpo name to the Tabby label in an effort to capitalize on the strength of the Alpo brand. Alpo pulled a media budget of \$12.8 million to maintain its position as the leading canned dog food in the U.S.

Among Alpo products, Alpo dry dog food, backed by \$5.4 million, was the biggest expenditure among all the company's brands. It moved into the top five dry dog food brands in the U.S.

The largest share of the ad total, \$2.9 million, went to network tv; spot tv garnered slightly more than \$1 million; magazines drew \$875,000, and newspapers \$600,000.

An additional \$166,000 was spent on spot tv for both the canned and dry dog foods.

Separately, the canned food got \$4.7 million, including \$3.4 million in network tv, \$884,000 in spot tv and \$227,000 in magazines.

The company also is developing its

own pet snack brands. Both the Beef Bite Treats and Liv-A-Snaps lines increased their already strong market shares.

Liv-A-Snaps was supported by \$362,000 in spot tv. The company apparently saw expansion of that market through acquisition when in August, 1983, GrandMet acquired the Reward Co., manufacturer of pet snack foods, including those under the Butcher Brand trademark.

The pet foods product area at GrandMet accounted for \$23 million in operating income. The sales figure was a \$1 million increase over 1982. Earnings for the division were flat.

On March 1, 1983, GrandMet sold its spirits and wines subsidiaries, the Paddington Corp., Carillon Importers Ltd. and Bombay Spirits Co., to its immediate parent, Grand Metropolitan (U.S.A. Holdings) Inc. for a \$254 million interest bearing promissory note due on demand.

In its liquor advertising, measured expenditures for Absolut vodka rose slightly to \$1.6 million from \$1.2 mil-

lion the previous year. In the three years in the American market, Absolut has moved into the No. 2 spot in imported vodka brands. As in previous years, most of the money, \$1.4 million, was spent on magazines.

Measured expenditures for Baileys Irish Cream dipped from \$6.4 million to \$5.2 million. Nonetheless, sales of Baileys topped last year's levels.

Sales of the company's J&B Scotch dipped somewhat as part of the softening of scotch sales in the U.S.

Ad expenditures for J&B were down to \$6.2 million from \$7.4 million in the previous year. Expenditures on Bombay gin rose somewhat to \$1.1 million from \$950,000 in 1982. In the face of a declining market for imported gin in the U.S., Bombay increased sales.

DP Physical Fitness Equipment, GrandMet's sporting goods company, registered strong increases in its sales of home exercise equipment. Ad expenditures also rose sharply to more than \$2 million. In 1982, expenditures were about \$1.1 million. The 1983

campaign placed ads on network tv including National Football League football, as well as in several consumer magazines.

ADVERTISING EXPENDITURES*

	1983	1982
Newspapers.....	\$1,490,600	\$4,278,300
Magazines.....	24,068,900	25,205,700
Spot tv.....	4,885,800	7,821,200
Network tv.....	7,188,400	7,873,700
Spot radio.....	—	323,200
Outdoor.....	4,867,600	4,652,800
Total measured....	45,501,300	50,154,100
Unmeasured.....	3,368,000	3,845,900
Estimated total....	45,869,300	54,000,000

*Supplied by GrandMet

ADVERTISING EXPENDITURES†

	1983	1982
Newspapers.....	4,375,100	4,278,300
Magazines.....	26,179,500	25,205,700
Spot tv.....	6,940,900	7,821,200
Network tv.....	9,083,100	7,873,700
Spot radio.....	54,500	323,200
Outdoor.....	4,933,100	4,652,800
Total measured....	51,566,200	50,154,100
Total unmeasured	4,000,000	3,845,900
Estimated total....	55,566,200	54,000,000

†From AA's usual sources

Corporate Marketing Personnel

Jonathan W. Old, president-coo
Robert H. Fassick, vp-admin

Robert B. Seidensticker, vp-tobacco cos.
Jim Adams, vp-corp devel and strategic planning
Dan Provost, vp-public affairs
Al Kalish, director-corp adv

LIGGETT & MYERS TOBACCO CO.

Marketing Personnel

K.V.R. Dey Jr., president-coo
Hal Grant, vp-sales and mktg
Don Fish, natl director-adv and promo
John Franklin, mgr-mktg programs
Walt McDonald, branch mgr
Fred DiMenna, adv promo mgr
Joe Drescher, group promo mgr
Bob Seher, director-sales admin and services
L.P. Hughes, natl field sales mgr
Jim McPartland, eastern region sales mgr
Ennis Laws, southern region sales mgr
Dave Jackson, natl director-trade and sales promo
Steven Cohen, director-sales planning and devel
Bobby Riggsbee, director-purchasing

Advertising Agencies

Bloom Cos., Dallas—Eve Lights cigarettes, L&M cigarettes, Chesterfield, test products—Bill Oakley, mgmt super; Alan Armstrong, acct super; Nancy Rehling, acct exec; Cindy Avery, asst acct exec; Mark Oken, senior vp-

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media director; Lynn Christopher, associate media director; Bev Leiber, media planner.

PADDINGTON CORP. Marketing Personnel

Al Ferro, president-ceo
Frank Zuracino, vp-genl sales mgr
Bob Suhr, vp-mktg
Al Giordano, vp-rsch planning
Joe McKenna, vp-pr
Susan Lupien, brand director, Bailey's Original Irish Cream
John Seewald, group mktg director
Tim Mulligan, asst brand mgr
Russ Goyette, group mktg director
Kevin Meltugh, branch mgr, Demi-Tasse
Lisa Donati, branch mgr, Malibu
D. James McCue, sales promo director
Ann E. Berenger, mgr-sales promo director

Advertising Agency

Backer & Spielvogel, New York—J&B rare scotch, Catto's Gold Label scotch, Royal Ages scotch, Knockando scotch, Baileys Original Irish Cream liqueur, Demi-Tasse coffee cream liqueur—John Kelly, Malibu vp-acct director; Mike Rowland, acct super; Peter Marsman, acct exec Mindy Picon, acct exec; Steve Leff, exec vp-director, media services; Jay Schoenfeld, senior vp-media director; Sid Shane, media super, J&B Valerie Muller, media super, Baileys, Joan Greenberg, mgr-out-of-home.

CARILLON IMPORTERS

Marketing Personnel

Michel Roux, president-ceo
Dick McEvoy, vp-mktg
Carolyn Kaiser, mgr-pr
Ernie Capria, mgr-mktg services and planning

Advertising Agency

TBWA Advertising, New York—Grand Marnier, Absolut vodka, Cherry Marnier, Lapostolle cognac, Bombay gin, Bertani wines, Punte Mes, Achaia Clauss Greek wines and Ouzo, Lescours Abbaye, Dunhill scotch, Ackerman—Lawrence sparkling wines, Piai wines—William Tragos, chairman-ceo; Brian Barry, vp-mgmt super; Claude Fromm, vp-media director; Juan Bailargeon, media super.

PINKERTON TOBACCO CO.

Marketing Personnel

Robert B. Seidensticker, president
Bill Melton, vp-mktg
Don Robelen, chief financial officer-treasurer
Rich Russel, vp-sales director
Dave Steele, product mgr
Bill Taylor, product mgr

Advertising Agency

Benton & Bowles, New York—Red Man, Union Station, Big Duke, Black Clipper, Culver Bros. snuff—Bill Sandberg, acct super; Ira Schwartz, acct super; Frank Massaro, associate media director.

ALLEN PRODUCTS CO.

Marketing Personnel

Joe Sestak, president-ceo
Jac Foley, exec vp
Frank Krum, senior vp-mktg and sales
Bob Beckwith, vp-sales
Jim Schmoey, senior vp-operations
Ty Allen, senior product mgr
Katherine Hillman, senior product mgr
Ann E. Shaffer, product mgr
Elaine Moorem, product mgr-new prods
Bart Campbell, mgr-pr

Advertising Agency

Weightman Inc., Philadelphia—Also canned and dry dog food, Bi-ta dog biscuits, Liv-A-Snaps pet treats, Alamo dry dog food—John Goodchild, vp-mgmt super; Ralph Day, senior acct super; Doug Schorres, acct super; David Wolfe, Mark Plamondon, William Annesley, Cathy Guarino, acct execs; Neil Harrison, vp-media director; Ray Dundas, associate media director.

DIVERSIFIED PRODUCTS CORP.

Marketing Personnel

Cal James, president-ceo
Buddy Pilgrim, exec vp
Ira Silberman, senior vp
Ira Pollack, vp-corp mktg and purchasing
James Thompson, vp-mktg and sales
Lanier Johnson, mktg director
Greg Evelad, group prod mgr

Advertising Agency

Walker & Associates, Memphis—Delos Walker, president.

LEACH INDUSTRIES

Marketing Personnel

Charles Drake, vp-genl mgr
PEPSI-COLA BOTTLING CO.

OF FRESNO

Marketing Personnel

Ron Dorrel, president-ceo
ATLANTIC SOFT DRINK CO.

Marketing Personnel

James Moore, president-ceo
Len Rosinski, vp-mktg
Bob Buys, vp-operations

Greyhound Corp.

	1983	1982
Sales*	\$2,625,000,000	\$2,740,000,000
Earnings*	195,500,000	183,100,000
U.S. Advertising	**\$3,564,000	**\$5,252,000

*Worldwide **Restated to reflect sale of Armour Foods.

Greyhound Corp., the 75th largest national advertiser, cut its advertising expenditures 1.9% in 1983, to an estimated \$83.6 million.

Sales for the Phoenix-based company dropped 4.2%, to \$2.63 billion, in 1983. Net income increased 2.3%, to \$105.5 million.

Last year was one of change aimed at bolstering profits. Focusing on its weaker segments, Greyhound continued its program to pare down operating costs and shed its less profitable divisions. Additionally, it continues its search for a major acquisition in 1984.

The company's Greyhound Lines division chalked up \$25 million in losses, attributed to a 47-day strike of drivers occurring during the important holiday travel season in 1983.

Also affecting the balance sheets in 1983 was the poor performance of Greyhound Leasing & Financial Corp. Net income for the financial group fell sharply to \$28.7 million, from \$47.9 million in 1982. One factor was adverse worldwide economic conditions.

Another division that historically has been troubled by labor problems is the Armour Foods division, which the company sold in 1983. The sale of Armour Foods in December to Omaha-based ConAgra will bring Greyhound \$166 million. Greyhound continues to be a major stockholder.

Greyhound's transportation division showed a loss of \$8.8 million in 1983, compared with net income of \$20.2 million in 1982. Primarily, this was due to the strike of the Amalgamated Transit Union. But the company acknowledges that even without the strike, Greyhound Lines would have had an "unsatisfactory" 1983.

The bus industry on the whole has been lackluster because of deregulation of both bus and air travel and because of soft bus ridership. New labor agreements, which have cut labor costs between 30% and 50%, should allow Greyhound to become increasingly competitive.

To further hone that competitive edge, Greyhound is strengthening its marketing efforts. The marketing staff has grown from five to 19 in the past year, headed by Terry Underwood, vp-marketing; passenger, and a former vp-marketing at Avis Rent-A-Car.

Additionally, this spring Greyhound fired off its biggest ad campaign, "New Lower Fares." Aimed at its Dallas-based competitor, Trailways Inc., the effort is intended to increase Greyhound's 80% market share in the scheduled service sector of the bus business. (Trailways currently has about 20% of the national market, according to analysts.)

Greyhound also introduced an aggressive \$2.5 million Hispanic advertising campaign.

In the consumer products group, which had net income of \$22.3 million in 1983, compared with \$19.9 million the previous year, several significant marketing developments occurred.

Dial soap, the No. 1 brand in the \$1.2 billion U.S. bar soap market, this spring introduced a reformulated Dial soap, said to double the soap's germ-killing abilities.

The new campaign received \$4 million-plus in advertising in the second quarter, the company reported. Dial antiperspirant also was reformulated to include microstat.

The company reports that Tone soap held steady its share of market in 1983, despite more aggressive marketing activities from competitors Procter & Gamble, Andrew Jergens Co. and Lever Bros.

Beauty bars such as Tone comprise about 30% of the total soap market, and the category is dominated by Lever Bros.' Dove soap.

Additionally, the company entered test markets with Pure & Natural soap, pitting the brand against P&G's Ivory.

Other new products at the consumer division included a 24-oz. can of Armour Star chili and a 15-oz. size of roast beef hash. Armour's dried beef—available nationally in jars—moved into test markets in vacuum-sealed foil pouches.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers	\$8,926,300	\$2,888,000
Magazines	3,636,800	5,022,000
Spot tv	6,439,700	6,290,300
Network tv	19,750,300	38,587,800
Spot radio	8,918,600	7,044,000
Network radio	1,366,100	2,168,900
Outdoor	290,100	38,400
Total measured	49,527,900	54,039,400
Unmeasured	34,036,100	31,212,600
Estimated total	\$83,564,000	**\$85,252,000

*Restated

GREYHOUND LINES

Marketing Personnel

Terry Underwood, vp-passenger mktg
Al Anderer, vp-package express sales
Ralph Borland, senior director, mktg
E.S. Cross III, director, mkt mgmt
K. Sanders, F. Middleton, A. Pulk, J. King, S. Crawley, mkt mgrs

Advertising Agency

Bozell & Jacobs/Southwest, Dallas—Greyhound passenger lines—Ross Puskar, senior vp; Jim Gibbon, vp-mgmt rep; Jim Martin, acct super; Tony Dammicci, Emily Wright, Jim Huffman, acct execs. Package express—Jim Gibbon, vp-mgmt rep; Pat Devlin, acct super; Peter Murphy, acct exec. Charter—Jim Gibbon, vp-mgmt rep; Jim Martin, acct super; Hispanic—Jim Gibbon, vp-mgmt rep; Luis Martinez, acct super; Mary Lou C-Rivero, acct exec.

ARMOUR-DIAL CO.

Marketing Personnel

R. Oliva, director-creative svcs
W.H. Windham, vp-sales
C.H. Ferry, vp, customer devel
A.R. DeBolt, vp-sales, special markets
P. Lustig, director-mktg, household, health and beauty prods
W. Robertson, director-mktg, food prods
G.S. Frick, group product mgr, toiletries and household
R. Jai, group product mgr, Dial and Tone soaps
G. Suckland, group product mgr, foods
M.G. Norman, senior group product mgr, foods

Advertising Agencies

Needham, Harper & Steers, Chicago—Dial soap, new prods—Gene Yovetich, mgt rep; Victoria Mondae, mgt super; Kathleen Wichman, acct exec, Mary Ellen Hollins, acct exec.

Ogilvy & Mather, Chicago—Dial antiperspirant, Appian Way pizza, new prods—Steven A. Miller, mgt super; Evelyn Moore, acct exec.

Frote, Cone & Belding/Honig, San Francisco—Tone soap, Lique 4, canned meats, new prods—Robert Imel, group mgt super; Dale Fanning, acct super; Jeff Tarran, acct exec.

Conill Advertising, New York—Hispanic advertising, all Armour-Dial prods—Gloria Tuero, acct super.

GTE Corp.

	1983	1982
Sales*	12,943,918,000	11,766,658,000
Earnings*	955,604,000	835,626,000
U.S. Advertising	70,179,900	25,183,600

*Worldwide

GTE Corp., the 85th largest national advertiser, spent \$70.18 million on advertising in 1983, a jump of 179% from 1982. GTE's commitment to becoming a major force in the long-distance telephone market, through its newly acquired Sprint system, accounts for a large part of its advertising increases.

Worldwide sales for the Stamford, Conn.-based company reached record-breaking levels as they climbed to \$12.94 billion, up 10% from 1982, while earnings were \$956 million, up 14.4%. U.S. sales contribution for 1983 amounted to \$10.9 billion, representing 84% of total sales and a 12% increase from 1982.

In 1984, first-quarter results show another record year is in the making. Earnings were \$257 million, up 17% from 1983's first quarter, and revenues climbed to \$3.4 billion, an increase of 16%.

GTE's telecommunications operations were extended vastly by the \$727.5 million purchase of the Sprint system. Sprint is now part of the newly formed diversified products and services division at GTE, which also includes Communications Products, Telenet Communications and Products Corp. The telephone operating group includes the operating com-

panies Directories Corp. and Mobilnet Inc.

GTE's acquisition of the Sprint system, completed June 15, 1983, and the divestiture of American Telephone & Telegraph on Jan. 1, 1984, provided fertile ground for GTE's pursuit as a serious competitor in the telecommunications industry.

Toward that end, GTE put \$20.5 million into advertising its GTE Sprint long-distance lines, up nearly 83% from 1982 levels when Sprint was under the ownership of Southern Pacific Corp. Advertising for Sprint represented 34% of GTE's total measured spending.

In comparison, MCI devoted \$27.96 million to advertising its long-distance service in 1983, a 26% increase from year-earlier figures. The increase reflects an aggressive but necessary move to maintain its No. 2 position with a 3% share of the long-distance market, far behind AT&T. GTE Sprint is currently No. 3, with a 1.5% market share.

GTE's success in the \$44 billion-a-year long-distance market is shown by solid growth in its customer base since acquiring Sprint. In June, 1983, the system had about 600,000 business and residential customers. Within nine months, the customer base grew to more than 1 million. During 1984, GTE plans to invest another \$1 billion to expand its Sprint and satellite operations.

Among the crowded field of nearly 400 long-distance companies nationwide, the giant of them all, AT&T, is fighting to protect its 94% market share, from which all the new competitors are drawing to form a customer base. Its latest campaign, "The more you hear, the better we sound," attacks the tinny sound, poor connections and busy signals that a caller usually encounters while using other long-distance services.

That ad campaign, and the current issues of rates and quality in long-distance service, soon will be history, though, as alternative services such as GTE Sprint gained equal access rights, which started July 15 in some markets. The new structure will bring improvements to the long-distance system: narrowing the price gap between services, providing accessibility for rotary dial phones and improving connections.

Sprint campaigns use the money-saving angle to draw in new customers. Two separate GTE Sprint print campaigns were developed by J. Walter Thompson USA, targeting business and residential audiences. The "I compared, then I switched," campaign, with versions for both businessmen and businesswomen, run in the *Wall Street Journal*, *Business Week*, *Fortune*, *Inc* and other business journals. The "Price of Friendship" ads, directed at the residential audience, explain how customers can save every time they make calls. Ads run in publications with broad-based audience appeal, including *People*, *TV Guide* and *USA Today*.

Sprint also targets a very specific audience in its advertising. One tv commercial, "Straight Talk," is targeted toward the college market, where phone bills can consume a large portion of a limited budget. The spots feature a college coed who talks about calling home and telling her parents "almost" everything.

Almost all of Sprint's \$20.5 million in measured spending went to spot tv, according to Leading National Advertisers. Spot tv took \$20.1 million, while the remaining \$407,000 went to magazines. Philip Stevens, corporate advertising director at GTE, said 1984 spending on Sprint continues to emphasize spot tv, but he declined to estimate this year's budget.

GTE stepped up Sprint's marketing challenge beginning in January when it dropped its \$5 monthly service fee and replaced it with a minimum monthly charge of \$5 for residential customers. Also, customers receive volume discounts on bills greater than \$25, and the savings go up with higher bills. The "usage sensitive service," as GTE calls it, met the competition better than it expected. Sources say the company

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oversold its service, and a temporary freeze prohibited new customer sign-up until September. In the meantime, MCI dropped all monthly service fees and offered large-volume discounts for new and existing customers starting July 15.

Phone Marts, the retail stores for GTE telephone products, expanded their product lines during 1983 to residential and small business customers. Measured ad spending for 1983 was \$1.269 million, up 32% from 1982. Spot tv dominated the advertising, taking 96% of the total, network tv got 2.5% and magazines took 1.5%.

The GTE Mobilnet system is growing as a major force in another competitive field. Mobilnet, a cellular mobile telephone company, is the sole operator in 16 systems, with majority interest in six markets and minority interest in 19 markets. In July, 1984, the company applied for 17 additional systems.

Advertising tie-ins with the Indianapolis 500 auto race included race car driver Johnny Rutherford in ads, demonstrations and in-store appearances. Mobilnet phones were used exclusively by Indy 500 officials, medics and press personnel. Doyle Dane Bernbach, New York, was awarded the new account in December, 1983. A GTE spokesman said the emphasis is on doing followup ads in the new markets.

Sylvania lighting products division introduced the Energy Pincher lamp line in 1983. The line saves residents between 5% and 70% on electric bills, depending on usage. By the end of the year, the line was expanded to include three-way, flood and spot lights and reflector units.

Measured spending on Sylvania light bulbs for the home became a serious part of the ad budget as it grew from \$900 in 1982 to \$2.94 million in 1983. Nearly 95% was devoted to spot tv, with the remainder spent in magazines. Spending on industrial light bulbs reached \$103,800, all in magazines.

A rapidly expanding area of growth for office services is electronic mail. GTE entered this market with its GTE Telemail, an electronic mail service, which sends about 600,000 messages a month. Projected 1984 revenues are estimated at \$8.4 million.

The TeleMessenger Service, a public voice messaging system began testing in the Dallas-Fort Worth area. The service can be accessed at any time and from anywhere in the world without special equipment, using only an identification number. These two advancements are among many that further emphasize GTE's commitment to become a complete telecommunications company.

The executive office witnessed an abrupt move when president-chief operating officer Thomas A. Vanderslice resigned in December, four years after joining the company. After restructuring the top ranks, Allan L. Rayfield and James L. Johnson were named senior vps, heading the diversified products and service group and the telephone operating group, respectively.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$12,414,000	\$1,620,900
Magazines.....	6,744,100	3,871,500
Spot tv.....	32,443,200	5,925,100
Network tv.....	6,081,600	5,339,700
Spot radio.....	2,457,900	1,548,200
Outdoor.....	39,100	6,700
Total measured.....	60,179,900	18,312,100
Unmeasured.....	10,000,000	6,871,500
Estimated total.....	70,179,900	25,183,600

GTE CORP.

Executive Office
Theodore F. Brophy, chairman-CEO
James L. Johnson, senior vp-president,
—GTE telephone operating group
Allan L. Rayfield, senior vp-president,
diversified products and services

Marketing Personnel

Allan N. Stewart, vp-mktg
C. Sumpter Logan, vp-corp communications
Edward C. MacEwen, director-adv and communications planning
Philip C. Stevens, director-corp adv
Ralph H. Sherman Jr., director-adv, GTE Sprint

Advertising Agencies

Doyle Dane Bernbach—all advertising except GTE Sprint—Lawrence J. Iannuzzi, exec vp; Denis P. Crosley, senior vp-

mgmt super; Joseph McParland, vp-mgmt super, telephone operations; Joseph F. Belle Isle, vp-act super, corporate; Nancy Brett, vp-act super, diversified prods and services.

J. Walter Thompson USA, San Francisco
—GTE Sprint—Larry Strobes, acct director;
Steve Sanchez, mgmt super; Sherry Carniglia, acct super.

Gulf & Western Industries

	1983	1982
Sales.....	\$3,992,601,000	\$3,911,724,000
Earnings.....	263,328,000	**168,602,000
U.S. Advertising.....	145,500,000	155,031,000

*Fiscal years ended July 31
**Earnings from continuing operations

Gulf & Western Industries, New York, the nation's 44th leading advertiser, spent an estimated \$145.5 million on advertising in 1983, a decline of 6.1% from 1982.

For G&W, 1983 has been a period of intense transition. With the death of G&W founder-chairman Charles Bluhdorn and the ascension of his right-hand man, Marvin S. Davis, to chairman-chief executive officer, the company has embarked in a striking new direction. Like its new top officer, Mr. Davis, the company that has been emerging in the past year is lean and tough.

Mr. Davis' strategy has been to divest all G&W properties that fall outside of the company's profitable core group in entertainment and communications, financial services, and consumer and industrial products. The goal of the divestitures is to rid the company of cyclical, and risky, industrial businesses—operations that G&W execs say represent 20% of the company's sales and assets.

Gone by way of divestiture is the Gulf & Western building products operations, Arlington Park Racetrack, a number of domestic and foreign manufacturing units and the U.S. manufacturing operations of videogame company Sega Enterprises. Also gone is G&W's 24% interest in Amfac Inc., a Hawaiian sugar and real-estate company. In addition, the company has made extensive moves to trim its once-fat stock portfolio.

Because of the divestitures, the company wrote off \$470 million for the 1983 fiscal year, which produced a loss of \$212 million for the year. G&W's income from continuing operations for 1983 was \$263.3 million, up substantially from 1982's \$165 million. Sales for the year were \$3.99 billion, up from \$3.91 billion.

Revenues for the entertainment and communications group totaled \$844 million for fiscal year 1983. About \$432.2 million was accounted for by Simon & Schuster, the publisher; Sega Enterprises, and Madison Square Garden Corp.

The largest portion of G&W's advertising expenditures for 1983—about \$19 million in measured media—went to its Paramount Pictures unit.

Paramount has been on a roll in the past two years, producing a string of hits under the supervision of chairman Barry Diller and president Michael Eisner. The studio, the only one in Hollywood to finish among the top three money makers in each of the past six years, is known for its policy of budget-conscious investment resulting in box-office hits.

Big money makers in 1983 and their measured media spending were "Terms of Endearment," \$1.9 million; "Flashdance," \$2.4 million; "Trading Places," \$1.9 million; "Staying Alive," \$1.7 million; "The Man Who Wasn't There," \$1.3 million, and "Uncommon Valor," \$2.2 million.

New releases, "Footloose" and "Indiana Jones and the Temple of Doom," continued the hit parade into 1984.

"Indiana Jones," sequel to the 1981 blockbuster "Raiders of the Lost Ark," was Paramount's summer 1984 biggie. It grossed more than \$155 million in its first 10 weeks of release and ranked as the No. 1 summer theatrical until mid-August when Columbia's "Ghostbusters" pulled ahead. "Indiana

Jones'" gross was more than double that of Paramount's second biggest summer hit, "Star Trek III: The Search for Spock," which originally was planned as a 3-D release.

"Raiders," "Terms of Endearment" and "Uncommon Valor" also have gone on to become major sales and rental hits for Paramount Home Video. "Terms" was the No. 1 title in August videocassette sales and rentals, while "Raiders" ranks as the all-time No. 1 videocassette seller (600,000 units). "An Officer & A Gentleman," "Star Trek II: The Wrath of Khan," "Trading Places," and "Staying Alive" are other Paramount films now among the all-time top 10 videocassette sellers.

After experiencing two straight box-office successes with movies starring Eddie Murphy—"48 HRS." and "Trading Places"—the studio signed the star to a much-publicized, five-year, \$15 million contract. Although there was much talk at the time about the great amount of money paid to the comedian, the current consensus is that if he produces just one major hit, it will result in a sharp business deal by Paramount. His first film under the new contract, "Best Defense," which co-starred Dudley Moore, got off to a sluggish start in August, grossing \$17 million after two weeks.

Paramount's tv group won 43 Emmy nominations and 12 Emmy awards last year, with the miniseries adaption of Herman Wouk's novel "The Winds of War" getting three awards. The 18-hour series was seen in 50 million households and received 13 Emmy nominations. A sequel, "War and Remembrance," is in development at ABC.

Also high on the awards list was "Cheers," which got 13 Emmy nominations and five Emmys, including outstanding comedy series. "Happy Days," a popular comedy series in its 12th season, ended its long network run this year.

Paramount also produces two non-network shows—"Entertainment Tonight" and "Solid Gold." "Entertainment Tonight" was carried by 135 stations, and "Solid Gold" by 207.

In June, 1984, the motion picture group made headlines of a different sort when it released a statement saying Gordon Weaver and Steve Rose—ostensibly quitting as president-marketing and senior vp-worldwide marketing, respectively, to form their own movie marketing company—actually were dismissed because of "unethical practices with respect to suppliers."

Messrs. Weaver and Rose, who had used record linkups with RSO Records and licensed merchandise to bolster the youth market appeal of the 1977 hits "Saturday Night Fever" and "Grease," last year capitalized on the growing availability of the MTV: Music Television cable service. They released music video clips to MTV shortly before "Flashdance" (and this year "Footloose") came out, thereby preselling the youth audience. Another part of what G&W called an "invisible" marketing technique was the release of the videos in videocassette form to hundreds of music and dance clubs.

Simon & Schuster had its third straight record-breaking year in 1983, generated by 37 titles appearing on the *New York Times* best-sellers list. The company formed two new publishing groups, Simon & Schuster Computer Books, which will focus on the industry's fastest-growing area, and Simon & Schuster Electronic Publishing, which will produce and market software for home computers. Eventually, Simon & Schuster expects 10% of its business to come from software sales. The publisher utilized nominal measured media spending of \$320,700, compared with \$907,700 a year earlier.

G&W's consumer and industrial products group manufactures and markets a wide variety of goods to domestic and international consumers. It includes Kayser-Roth Corp., a big manufacturer of men's and women's hosiery, which markets under leading brands such as Liz Claiborne, Oscar de la Renta, Cheryl Tiegs, Anne Cole, Catalina and John Newcombe, No Non-

sense pantyhose, which is a decade old, is the nation's No. 2 brand in ladies' hosiery. The No Nonsense line was supported by a measured media advertising budget of more than \$7 million last year, barely increasing measured spending of \$6.9 million in 1982.

Simmons, the mattress company, posted a \$33 million sales increase in fiscal 1983 and was profitable for the first time since the company bought it in 1979. Beautyrest, a pocketed-coil mattress, brought in almost 30% of total Simmons sales. G&W increased measured spending on mattresses 44%, to \$4.6 million in 1983, the bulk of which went into network tv.

G&W's financial services group brought in \$141.1 million in operating income on revenues of \$1,072 billion, down 1.2%, a 51% increase over 1982 and the strongest performance ever by that G&W segment. The cornerstone of the group is Associates Corp. of North America, the principal operating subsidiary of Associates First Capital Corp.

This past year, Associates National Bank continued to push its Exec-Charge/Visa Card. It also is stressing its new MasterCard service, which was launched this past year in a joint program with American Telephone & Telegraph. The program gives consumers the ability to purchase telephones through credit at phone stores, and is supported by a credit-checking system that processes applications within a half-hour. Associates then follows up by mailing the customers a MasterCard within the next week.

Late in 1983, G&W agreed to acquire Esquire Inc., a publishing, video and film concern. The company paid \$190 million for the 73% of Esquire's shares that it didn't already own. Esquire posted earnings of \$10 million on revenues of \$146 million in fiscal year 1982.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$2,365,200	\$4,506,100
Magazines.....	6,026,500	6,105,600
Spot tv.....	20,897,400	21,063,400
Network tv.....	23,345,500	24,322,200
Spot radio.....	3,683,100	615,200
Network radio.....	1,265,900	822,100
Outdoor.....	261,800	288,000
Total measured.....	57,845,400	57,722,600
Unmeasured.....	87,654,400	97,308,400
Estimated total.....	145,500,000	155,031,000

GULF & WESTERN INDUSTRIES

Corporate Personnel
Jerry Sherman, vp-corp communications
PARAMOUNT PICTURES CORP.
Corporate Personnel
Jon J. Gould, vp-corp communications

MOTION PICTURE GROUP
Marketing Personnel
Frank Mancuso, president

Martin Kutner, exec vp-distribution
Buffy Shutt, exec vp-mktg
Thomas Campanella, senior vp-natl adv
Sergio Campagnola, senior vp-asst genl sales mgr

Shelly Hochron, senior vp-creative affairs
Brenda Mutchnick, vp-adv/creative services
Kathy Jones, senior vp-publicity and promo
Barry London, president-domestic distribution

Alfred LoPresti, senior vp-worldwide technical facilities
Susan Pile, vp-West Coast publicity & promo
Tamara Rawitt, vp-East Coast publicity & promo

Leslie Pound, vp-intl mktg
Steve Rapaport, senior vp-sales operations

TELEVISION GROUP
Mike Tanner, vp-adv and promo, tv group
Richard Winters, exec director-adv, publicity & promo

Rick Weidner, vp-station relations and promo services
Hollace Brown, vp-adv and sales promo, home video div

Advertising Agency
Diener/Hausler/Bates, New York—Ernie Shapiro, acct vp; Gilda Hicks, acct super; Norman Trell, exec vp-media; Cheryl Lodinger, vp-media

SIMON & SCHUSTER
Marketing Personnel
Trade Book Division (hard cover)

Strome Lamon, vp-adv director
Elaine Marion, vp-mktg services
Sam Meyerson, vp-mail-order sales

Advertising Agencies
Herman & Rosner Enterprises, New York
—Frank Friedman, acct super

Bethan Spier, New York-Kathy Kelly, acct super

MADISON SQUARE GARDEN CORP.
Corporate Personnel
James Trecker, director-corp comm

David Mozes, director-adv, MSG Center
Advertising Agencies
Ash-LeDonne-Fisher, New York—Sidney Chabus, acct super.

MSG Advertising (in-house).
KAYSER-ROTH CORP.
Corporate Personnel

Maurice Forman, director-mktg div
CATALINA

Marketing Personnel
Patricia L. Shaeff, div adv mgr
COLE OF CALIFORNIA

Sheri Mobley, div adv mgr
CHAMPION

Nelson Goldberg, vice president
EXCELLO

Joseph Barrato, president
HER MAJESTY INDUSTRIES

Louis Maier, president
KAYSER-ROTH HOSIERY INC.

Jack R. Hobert, president
J.B. Adams Jr., vp

BALFOR INC.
(Burlington Socks)

Irwin Leidner, president
INTERWOVEN

Kent Wall, president
WESTMINSTER

Dick Stober, president
LADIES HOSIERY

Terry Johnson, president
Sandy McIntire, mktg director

NO NONSENSE FASHIONS
Dixon Johnston, president

K-R INTIMATE APPAREL
Elaine Tirella Salerno, div adv mgr

K-R GLOVES & ACCESSORIES
Nina McLemore, president

ROLANE CORP.
Cecil Sherman, president

Tom Moota, adv director
Advertising Agencies

Grey Advertising, Los Angeles—Ladies Division, Catalina—Kate Hamilton, acct super.

Taylor & Wilson, Los Angeles—Men's division.

Leslie Advertising, Greenville, S.C.—Her Majesty Industries—Kent Anderson, acct super.

Grey Advertising, New York—Kayser-Roth hosiery group, ladies hosiery, No Nonsense Fashions, men's socks—Matt DeSimone, mgmt super; Clark Montgomery, vp.

Cathy Cash Spellman, New York-Kayser-Roth intimate apparel—Johanna Lee, acct super.

Park Place Group, New York-Kayser-Roth gloves & accessories—Bette Klegon, president.

Trone, Donohoe & Johnson, Greensboro, N.C.—Rolane Corp.—Lee Trone, president.

SIMMONS U.S.A. & SIMMONS INTERNATIONAL

Marketing Personnel
Robert Magnusson, president

Richard Smith, vp-mktg & genl mgr-bedding prods

Larry Alm, vp-adv & merch
SIMMONS UNIVERSAL

Alfred Marchitto, president
Advertising Agencies

McDonald & Little, Atlanta—Simmons U.S.A.—Michael McDonald, chairman; Joe Lonsdorf, acct super; Jeff Silverman, acct exec.

Springtime Advertising (in-house)—Simmons U.S.A.

GULF & WESTERN MFG CO.
Edward Klopfenstein, director-adv/pr

Susan O'Sullivan, director-mktg
AMERICAN PARTS SYSTEM

Fred J. Pisciotta, president
Montie C. Loney, vp-admin

Robert E. Casper, director-adv and pr
ASSOCIATES CORP.

OF NORTH AMERICA
Fred Stern, vp-corp communications

Gary Kastel, senior vp-consumer adv
Advertising Agency

Bozell & Jacobs, Dallas—Jan Dauterman, acct super.

ASSOCIATES COMMERCIAL CORP.
D.F. Edwards, vp-transportation mktg

Robert Miramonti, vp-equipment mktg
D.F. Herrick, senior vp-business loan mktg

Jon Romas, vp-communications mktg
Clifton Noble, vp-corp mktg svcs

Advertising Agency
Stern Walters/Earle Ludgin, Chicago—Ira

Brichta, mgmt super; Al Razzano, acct super.

H.J. Heinz Co.

	1983	1982
Sales.....	\$3,950,000,000	3,738,445,000
Earnings.....	237,500,000	214,250,000
U.S. Advertising.....	207,400,000	**175,090,000

*Worldwide **Revised

H.J. Heinz Co., the nation's 31st largest advertiser, spent \$202.4 million in domestic advertising in 1983, a 15.6% increase over the previous year.

Sales for 1983 were \$3.95 billion, up 5.8% over 1982. Net income reached \$237.5 million, up 10.9%.

Anthony J.F. O'Reilly, president-

ceo, said the year was "highly satisfactory," with its increase in operating income and a 16.2% increase in marketing spending.

Measured advertising of \$75.4 million represented 37.1% of the total advertising figure. The largest outlays went for Heinz tomato ketchup, \$16.1 million; Weight Watchers products, \$17.5 million, which includes \$5 million-plus each for frozen meals and frozen treats; \$9.95 million for 9-Lives cat food; \$6.4 million for Ore-Ida potato products, and \$5.8 million each for Steak-umm frozen steaks and Heinz steak sauce, according to Leading National Advertisers.

Three major Heinz promotions involving Heinz, Ore-Ida and Crisco labels netted the company increased sales, with Heinz ketchup claiming a 47% market share by the end of 1983, the company said. Heinz chili sauce also increased sales with a 55% market share.

Hoping to benefit from a popular comic book character, Heinz introduced Superman hot cocoa mix with NutraSweet in the Northeast. Promotional support for the new product included direct mail samples to families with children between the ages of 6 and 12, Sunday newspaper coupons and an on-pack offer of free Superman mugs.

The cocoa mix is available in 10-envelope cartons and 18-serving canisters. Measured media spending was \$341,200, according to LNA.

Among other new items introduced in the U.S. was Heinz' 28-oz. "Gamma" plastic squeeze-bottle for ketchup. The flexible container, named package of the year by the Packaging Institute USA, was developed for Heinz by American Can Co. The plastic squeeze bottle is lightweight and shatterproof and contains an "oxygen-barrier layer" that extends product shelf life.

Using the tag line, "Give Heinz a squeeze," Heinz USA introduced the

new package in the West and Southwest with tv advertising and promotional support.

In response to consumer interest in reduced sodium and calorie intake, Heinz is test marketing a Lite ketchup in Portland, Ore., and Phoenix. The product, a reformulation of the Lite ketchup introduced in 1979, contains one-third less salt than regular Heinz ketchup and half the calories.

Heinz redesigned packaging for its five specialty vinegars to create a traditional wine bottle look. The new package was introduced with the heaviest advertising and promotion campaign in the category's history and included the largest couponing ever for a wine vinegar and a tie-in with Good Seasons dry salad seasonings, Heinz said. The marketing effort, however, included minuscule media buying.

In another variation on the low-calorie theme, the Alba '77 line of Fit'n Frosty shake turned to G.D. Searle & Co.'s NutraSweet for its sweetening agent and sought to improve the diet shake's flavors through consumer tests.

In other activity, the USA division introduced an industrial size 10-lb. can of Heinz seafood cocktail sauce for the product that won first place in the condiment category of the Seventh Annual Food Service New Product Contest. Four new premium-quality Great American label soups were introduced in the foodservice market to compete against frozen soups: Country cheddar cheese, garden vegetable, old fashioned chicken and New England-style clam chowder.

A new condensed New England-style clam chowder was added to the Heinz label line of soups.

Heinz has spurred efforts to tap the foodservice market and now ranks as the largest foodservice advertiser, the company said.

Weight Watchers International Inc., Manhasset, N.Y., which markets the famous diet program but whose food

products are produced and marketed by licensees and sublicensees, experienced sagging membership in its program attendance in the U.S., blamed on the recession, Heinz said. Weight Watchers has a new program aimed at lifetime fitness and good eating habits in the works, which will be marketed heavily, expecting to firm up program attendance in the U.S. in 1984.

Weight Watchers brand foods continued to expand under several major licensing and sublicensing programs to include many foods or recipes traditionally viewed as no-no's for dieters. Primary licensees are Heinz's Foodways National division, which markets all frozen dinner products, and Heinz USA, which markets the brand's other specialty products, including bread, dairy products and desserts.

Recent new product introductions included Weight Watchers southern fried chicken, made skinless with a reduced-calorie coating, and deluxe pizza pie at 330 calories per pie. Distribution of three new fish meals into eight markets: Philadelphia, Baltimore-Washington, Boston, New York, Pittsburgh, Scranton, San Francisco and Los Angeles, ranging from 180 to 220 calories each, the dinners include an oven-fried fish with broccoli, cauliflower and carrots, Italian-style fillet in tomato sauce with cheese, broccoli and cauliflower, and fish au gratin with broccoli.

Actress Lynn Redgrave was tapped late in the year to become the face of dieting success for Weight Watchers food product advertising.

Weight Watchers Frozen Treat bars, in three flavors, moved into national distribution and became one of Heinz USA's fastest growing products and the top selling frozen novelty. Heinz USA also rolled out nationally a Weight Watchers Sandwich Bar dessert consisting of a 2.5-oz. portion of the brand's dietary dessert between two chocolate wafers.

Weight Watchers bread was reformulated to improve product quality and slice-thickness, and the line was expanded to include a Soft Light rye in addition to the white and cracked wheat.

After market studies indicated consumer support for diet entrees in the foodservice industry, Weight Watchers introduced a 16-item line of Italian-beef, poultry and fish entrees into test market in Austin, Tex. More than 200 restaurants have been targeted for possible distribution.

Having nothing to do with dieting, Ore-Ida Foods Inc., Boise, Ida., continued to hold a nearly 50% market share in its category. New products included Golden Patties, an oven-prepared hash brown potato product, which achieved distribution in 85% of the country, and Crispy Crowns!, a bite-size potato product in plain, bacon, and sour cream and chives flavors, which also was distributed nationally.

Ore-Ida is completing a \$2.7 million expansion and modernization of its Burl, Ida., plant to increase the plant's production capacity by 30%, officials said.

Heinz's 1980 acquisition, Gagliardi Brothers, expanded its Steak-umm line with a Steak-umm sandwich kit and Steak-umm double portion sandwich steaks in a more lively package. The new entrees were introduced first in the Northeast.

Star-Kist Foods, Terminal Island, Cal., remained the leading tuna brand, Heinz said, despite industrywide con-

ditions of oversupply and competition from imports, which undercut sales. While sales were tough in the tuna category, Star-Kist enjoyed strong gains in the 9-Lives pet foods line.

Michael D. Kelly joined Heinz as vp-marketing, Weight Watchers. He formerly was vp-marketing for Stouffer Restaurants. William R. Johnson was named vp-marketing consumer products for Heinz USA.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers	\$2,749,900	\$3,712,500
Magazines	6,869,000	5,874,000
Spot tv	17,636,200	22,634,300
Network	47,863,700	45,916,000
Spot rad	260,700	429,800
Outdoor	62,600	4,100
Total measured	75,442,100	78,570,700
Unmeasured	126,957,900	96,429,300
Estimated total	202,400,000	175,000,000

HEINZ U.S.A.

Marketing Personnel

Consumer Products Division

William R. Johnson, vp
J. Crawshaw, genl mgr-condiment and sauces mktg
J.P. Berger, genl mgr-foodservice mktg
S.W. Scott, genl mgr-new prods mktg
M. Vincent, category mgr-Weight Watchers
J.A. Gordon, senior mgr-adv, promotion and design

Package Goods Division

C.L. Roberts, vp
A.D. Wittemen, genl business mgr-baby food and pickles
S. Schickler, business unit mgr-baby food
M. Olsen, business unit mgr-pickles
D. Pellegrino, business unit mgr-soups, entrees and beans
S. Pease, business unit mgr-vinegar and sauces

Sales Division

W.V. Costello, vp
Jon Peterson, genl mgr-grocery sales
T.R. Jonell, genl mgr-foodservice

Advertising Agencies

Leo Burnett USA, Chicago—ketchup, pickles, relishes, gravy, baby food—H. Freely, exec vp; T. Ross, vp-act director.
Food Group, New York—foodservice products—D. Axlerod, president.
Ketchum Advertising, Pittsburgh—57 and barbecue sauces, vinegar, ALBA products, Superman hot cocoa—B. Stein, vp-mgmt services; corporate and USA company pr—L. Werner, exec vp.

STAR-KIST FOODS

Marketing Personnel

R.L. Scharer, vp-mktg
W.H. Gassett, genl mgr-mktg
T. Sanford, group mgr-mktg services
A.A. Oyotte, genl mgr-sales
J.T. O'Meara, genl mgr-seafood mktg
P.L. Bowen, mgr-cat food mktg
E.S. Moersch, mgr-dog food mktg
J. Comber, natl merch mgr

Advertising Agency

Leo Burnett USA, Chicago—Star-Kist tuna, 9-Lives cat food, Amore cat food, Jerky Treats dog treats, Meaty Bone dog snacks—C. Mills, senior vp-act director; B. Krause, H. Kogan, acct supers.

ORE-IDA FOODS

Marketing Personnel

Dietmar Kluth, vp-sales and mktg
Wayne Durfey, genl mgr-food services
David D. Bohecker, genl mgr-retail mktg
M. Vince Shaar, genl mgr-retail sales
Martin V. Thomas, genl mgr-sales and mktg services

Stanford P. Darger, genl mgr-mktg
Foodways National
Geoffrey V. Supko, vp-sales and mktg, Gagliardi Bros.

John W. Bauer, genl mgr-retail mktg, Gagliardi Bros.

Advertising Agencies

Doyle Dane Bernbach, New York—Grant Roberts, senior vp-mgmt super.
Foote, Cone & Belding/Honig, San Francisco—Byron Mayo, senior vp-mgmt super.

WEIGHT WATCHERS

INTERNATIONAL

Marketing Personnel

Michael D. Kelly, vp-mktg
Advertising Agency
Doyle Dane Bernbach, New York—Bob Freeman, senior vp-mgmt super; Mark Abrams, vp-act super.

Hershey Foods Corp.

	1983	1982
Sales*	\$1,700,000,000	\$1,565,736,000
Earnings*	100,160,000	94,168,000
U.S. Advertising	68,257,400	60,000,000

*Worldwide

Hershey Foods Corp., Hershey, Pa., the nation's 89th largest advertiser, increased advertising spending 13.7%, to about \$68 million in 1983.

Although Hershey Foods includes numerous food products—from pasta to a fresh-brew coffee service—as well as the Friendly restaurant chain, chocolate, through the cornerstone Hershey Chocolate Co., contributed 71% of Hershey's total 1983 sales of \$1.7 billion. The total reflected a 6% increase over 1982 sales.

Strengthened by the successful 1982 introduction of two new candy bars—Skor, a chocolate-covered toffee crunch bar, and Take Five, a chocolate-covered crispy wafer and peanut cream bar—Hershey Chocolate Co. sales of \$1.2 billion were up 7% over 1982. Restaurant operations contributed \$383.5 million, while other food products and services added \$163.5 million to Hershey's total sales.

For the first quarter of 1984, ended April 1, Hershey reported total combined sales of \$435 million, up 3.2% over the similar period in 1983. Net income declined, however, primarily because of increased marketing costs to support product introductions and continued growth of established products, said Richard A. Zimmerman, president-chief executive officer.

While established Hershey stars, including top-selling Reese's Peanut Butter Cups, the crispy Watchamacallit bar and the original milk chocolate bars and chocolate kisses, continue to maintain consumer loyalties in the estimated \$7 billion candy-confectionery market, the company considers new products a vital component in continued growth in 1984, company officials said. Hershey derives more than 22% of its sales from products introduced within the past five years of aggressive competition between itself and archrival Mars Inc.

As the two candy giants continue their battle for first place, they are believed to command one-third of the market. Consumers appear to have accepted the general market price increase to the 35-cent candy bar in 1984—led this time by Hershey—but manufacturers are sensitive to the fact that if pushed to pay too much for what they perceive to be too little, consumers will balk, said Tony Pingitore, director of new products for Hershey Chocolate Co.

New products from Hershey as well as its competition can be expected to reach for sales among adults and, ironically, the health-conscious consumer, Mr. Pingitore said.

Consumer taste trends indicate a preference among adults for lighter candy snacks such as Take Five, for more elegant specialty bars such as Skor, and for more strongly positioned nutritional snacks, a niche Hershey hopes to claim with its recent granola bar addition called the New Trail Bar, Mr. Pingitore said. The bar comes in four flavors: honey graham, chocolate chip, peanut butter and cinnamon.

"There is a melding going on," Mr. Pingitore said of the growing market support for candy with a nutritional bent. "More and more consumers are wanting products that are perceived as or are more wholesome and nutritional, but they are saying, 'Hey, I want my nutritious product to taste good, too.'"

Chocolate chip has become the leading flavor element in the \$250 million granola bar market, Mr. Pingitore said. Skor and Take Five, both introduced late in 1983, have expanded sales territory dramatically and in 1984 are likely to reach full distribution goals, he said.

Hershey advertised the new additions generously, with measured media totaling \$8.3 million for the candy bar line and an additional \$2.9 million for New Trail granola bar and \$2.4 million for Skor, while its rollout of Take

People performs

"After the People piece—whoosh!—Trivial Pursuit went into orbit."

—John W. Nason, Vice President
Selchow & Righter Company

Specialists for financial services, advertising and packaged goods marketing executives.

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Five represented an undisclosed budget ranking as "one of the biggest" in the company's history, industry sources said.

Advertising themes for the new adult-oriented candy products can be expected to continue to reflect a shift away from product-configuration and instead toward consumer benefits, Mr. Pingitore said. Success lays in strong positioning of the products for the increasingly segmented candy market, he said.

Other more heavily advertised confectionery items and their 1983 measured media ad expenditures included Reese's Peanut Butter Cups, \$5.3 million; Hershey's chocolate syrup, \$3.6 million; Watchamacallit candy, \$2.3 million; Mr. Goodbar, \$1.8 million, and Hershey's cocoa, \$1.5 million.

Elsewhere in the grocery store, Hershey enjoyed an enthusiastic reception for Hershey's chocolate milk, a stand-out on the dairy shelf in the company's traditional maroon-and-silver packaging. Hershey's has licensed its name to 75 regional dairies to produce the product under Hershey supervision. The chocolate milk is available now to about 90% of the population and is stocked in all major markets, Mr. Pingitore said.

The year was not one of all sweet success for the candy unit, however. Hershey's Frostin', a ready-to-spread cake frosting, was discontinued after an initially promising introduction that subsequently caved in under pressure of unexpected activity in the category, Mr. Pingitore said. Long dominated by General Mills and Pillsbury, the "low-visibility, small-volume" category nonetheless appeared to offer a "solid, profitable niche" for Hershey. "By the time we made it to market, it had all changed," Mr. Pingitore said, noting the simultaneous entry of Procter & Gamble's Duncan Hines with frosting that whipped the category into a competitive battle of cake mix giants.

"Suddenly, frosting became a tactical tool in the cake mix war," in which Hershey thought it could not realistically compete, Mr. Pingitore said.

The company also dropped distribution of After Eight dinner mints because of limited long-term profitability of the licensed candies from Roundtree of England.

In 1983, Hershey's Friendly restaurants opened 32 locations and closed seven units, bringing the total number in the family-style restaurant chain to 667 at the end of 1983. Fourteen openings are planned for 1984.

Hershey's Friendly Ice Cream Corp. had a slow spring because of adverse weather, but company officials said they expected the volume to recover during the summer and fall. Friendly ice cream pies, introduced in mid-1982, performed well and are now part of the standard prepackaged product line.

San Giorgio-Skinner Co., Hershey's pasta division, produced record sales for the fifth consecutive year and claims an estimated 10% of the pasta market behind the market leader, C.F. Mueller Co., with an estimated 16% market share. The line has profited from increased consumer interest in pasta, with especially strong showings in the Sunbelt and in New York, where San Giorgio was the only major domestic brand to gain market share amid the rush of imported products, Hershey said.

Cory Food Services, a vendor of coffee-break beverages and imported snacks, continued to decline in sales performance, and Hershey has revamped the management structure to maximize productivity while positioning itself to take better advantage of market conditions, the company said.

Major corporate personnel changes included the retirement of chairman of the board Harold S. Mohler on March 1, 1983, after 35 years with the company. Under Mr. Mohler's leadership, the company changed its name from

Hershey Chocolate Corp. to Hershey Foods Corp., reflecting the significant move to diversify beyond chocolate products. Also under Mr. Mohler, the company abandoned its historic no-advertising policy and in 1970 joined its competitors in aggressively advertising its products.

William E. Dearden, former vice-chairman and ceo, was named chairman, and Mr. Zimmerman was promoted from his former position as president. C. Mickey Skinner was named president-ceo of San Giorgio-Skinner, replacing Joseph P. Viviano who was named senior vp of the corporation.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$1,539,800	\$1,540,600
Magazines.....	7,272,400	4,686,800
Spot tv.....	15,518,500	13,536,600
Network tv.....	28,678,800	25,536,200
Spot radio.....	557,400	870,900
Network radio.....	396,200	—
Outdoor.....	2,300	64,100
Total measured.....	53,965,400	46,235,200
Unmeasured.....	14,292,000	13,764,800
Estimated total.....	68,257,400	60,000,000

HERSHEY FOODS CORP.

Marketing Personnel
William E. Dearden, chairman
Richard A. Zimmerman, president-ceo
HERSHEY CHOCOLATE CO.

Marketing Personnel
Earl J. Spangler, president
John H. Dowd, vp-new business dev
Gary W. McQuaid, vp-mktg

Advertising Agencies
Doyle Dane Bernbach, New York—Kit Kat, Mr. Goodbar, Hershey's syrup, Watchamacallit, Y&S candies, Reese's Pieces, Skor, Hershey's chocolate milk, new prods —Peter Tate, senior vp-mgmt super.

Ogilvy & Mather, New York—Hershey's Kisses, Hershey's milk chocolate bar, Hershey's baking chocolate, Hershey's chocolate chips, Hershey's cocoa, Hershey's milk chocolate with almond bar, Hershey's fudge topping, Golden Almond, Reese's peanut butter cups, Reese's peanut butter chips, Big Block, Rolo, Hershey's miniatures; New Trail bar, Giant Kiss, Chocolate Covered Almonds, Marabou milk chocolate rolls, new prods—John Blaney, senior vp, genl mgr; Michael Vaughan, senior vp, mgmt super.

FRIENDLY ICE CREAM CORP.

Marketing Personnel
James D. Staggs, chairman-ceo
John F. Cauley, president-ceo
Joseph A. O'Shaughnessy, exec vp
John D. Burke, vp-mktg

Advertising Agency
Quinn & Johnson, Boston—Edward W. Quinn, president; Robert S. Johnson, exec vp; Jay Terwilliger, acct exec.

SAN GIORGIO-SKINNER

Marketing Personnel
C. Mickey Skinner, president-ceo
Clifford K. Larsen, vp-mktg

Advertising Agency
Creamer Inc., New York—San Giorgio pasta prod, P&R Macaroni, Skinner and Delmonico brands—Albert J. Bouchard, exec vp.

IC Industries

	1983	1982
Sales*.....	\$3,730,000,000	\$3,650,000,000
Earnings*.....	92,700,000	47,600,000
U.S. Advertising.....	112,100,000	79,113,300

*Worldwide

IC Industries, Chicago, a diversified international corporation that includes Pet Inc., Pepsi-Cola General Bottlers Inc. and Midas International Corp., spent an estimated \$112.1 million in advertising in 1983, up 41.7% from 1982, to rank as the 64th largest national advertiser.

Consumer products generated \$2.19 billion in sales in 1983, or about 59% of the company's total revenues of \$3.73 billion. Of that total, Pet generated 31%, Pepsi 10% and Midas 7%.

The remaining 45% of sales came from IC's Illinois Central Gulf Railroad, Hussmann Corp. (refrigeration equipment), Abex Corp. (commercial equipment and components), among other activities.

Total ad spending is expected to increase 10% in 1984, most of it earmarked for consumer products. Pet, for example, spent \$85 million on advertising and promotion in 1983 and is expected to spend \$96 million in 1984, the company says.

IC has been outspoken in its commitment to building its consumer products divisions, and it has announced plans to place in the con-

sumer products area most of the \$200 million in capital spending planned for companywide business in 1984. That figure represents a 21% increase over 1983.

Pet sales increased 11%, to \$1.15 billion in 1983, marking the food product company's best year in a 75-year history. It was the third consecutive year for record sales and earnings and makes the company IC's largest and most profitable division.

Pet products span seven markets with Old El Paso brand Mexican foods, Underwood Red Devil meat spreads, Pet-Ritz frozen pie shells, Downyflake and Roman Meal frozen waffles, Orleans canned shrimp and Sego measured-calorie liquid meals.

Pet also represents the lion's share of IC's measured media spending in 1983, with \$43 million, an increase of 45% from 1982.

Pet's first-quarter results in fiscal 1984 indicate the company recorded sales of \$271 million, a 1% increase over the corresponding period a year earlier. New products should stimulate sales for the remaining three quarters as they take hold in the market.

In 1984, Pet plans to expand to 10 its line of frozen El Paso entrees, eight of which were introduced in St. Louis and Dallas test markets last year. The full line is being rolled out nationally in 1984. Other new El Paso brand products include picante salsas in mild, medium and hot spiced flavors. Pet also is expanding sales of Old El Paso hot nachos from the current three Major League Baseball parks to six. Pet spent \$6.7 million in measured advertising in 1983 for El Paso brand products, up from \$2.3 million the year before.

In response to continuing consumer interest in reduced-calorie versions of popular foods, in 1983 Pet's Whitman's chocolate line introduced a new Whitman's Lite with one-third fewer calories than regular chocolate. In recent years, Whitman's has expanded its line to include chocolate bars, desert toppings, chocolate baking chips and two kinds of cookies. Whitman's has invaded the airline foodservice market with new butter cookies served now by two airlines.

A new Pet-Ritz "fancy crust" frozen pie is positioned as larger and filled with more fruit than the competition's. And to top off its frozen dessert product menu, Pet is introducing a new line of Great Ice Creams of the South, touted as richer than other American ice creams. The ice cream line is in distribution in 10 southeastern states where Pet Dairy operates.

Pet also will reposition its Pet-Ritz pie crust this fall, using tv to replace the pie crust's convenience-oriented message to a use-oriented theme. Pet currently has a 60% share of the total \$160 million pie shell market, but it is experiencing strong pressure from Pillsbury's refrigerated All Ready unfilled crust dough. Pet pulled out of test a product similar to Pillsbury's, but sources say Pet is preparing a similar product for introduction later this year.

With the acquisition of William Underwood Co. and its brand products, IC has begun a comprehensive plan to integrate product line.

Included in the plan are Red Devil canned meats, Ac'cent flavor enhancers and B&M and Friends baked beans. All the products achieved increased market share in 1983, the company said.

Pepsi-Cola General, a division of IC Industries, distributes Pepsi products through 700 routes in eight states in the Midwest. In 1983, it saw its seventh consecutive record year with sales of \$388 million, an 8% increase over 1982. That increase carried into the first quarter of fiscal 1984 when the operation recorded \$78 million in revenue, 3% higher than the year-earlier period.

In 1983, Pepsi-Cola General completed introduction of two new decaffeinated products, Pepsi Free and Diet Pepsi Free, throughout its markets and credits the strong new product sales with the division's significant sales increase.

Pepsi-Cola General's fountain busi-

ness continued to grow in 1983 with the much-coveted Burger King and Wendy's restaurant accounts. Pepsi sells to about 300 Burger King and Wendy's outlets.

Midas sales from the manufacturer to franchisee increased 11%, to a record \$272 million for 1983, and continued that pace into the first quarter of 1984 with sales of \$60 million, up 10% from the corresponding quarter a year earlier.

At the close of 1983, Midas operated 1,744 shops in 10 countries, including 88 new shops in the U.S., 31 in France and 15 in Canada. The company plans to open 200 more shops in 1984. Midas shops in the U.S. had record sales of \$545 million, a 16% increase. A measured media expenditure of \$5.9 million was spent for Midas muffler shops in 1983, up from \$18.1 million the year earlier.

In 1984, the auto service company plans to launch nationally a new suspension service program featuring a line of gas-filled shock absorbers and MacPherson struts. Midas shops also are scheduled to expand capability to provide front-end alignment services and will revive promotion of its brake service.

Research indicates the average American automobile is now more than seven years old and the number of miles driven annually is on the rise. Coupled with the increase of imported front-wheel-drive cars, the market conditions suggest strong opportunities for expansion in the auto service field, the company said.

Charles Connolly was elected vp-corporate communications. Granger F. Kenly, vp-corporate relations, retired, concluding 12 years of service.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$1,175,500	\$718,700
Magazines.....	3,689,100	1,511,400
Spot tv.....	20,971,300	15,071,800
Network tv.....	17,697,800	11,998,600
Spot radio.....	6,162,800	5,270,600
Network radio.....	599,200	983,600
Outdoor.....	50,800	46,300
Total measured.....	50,346,500	35,601,000
Unmeasured.....	61,753,500	43,512,300
Estimated total.....	112,100,000	79,113,300

IC INDUSTRIES

Chicago

Marketing Personnel
Wendell W. Larsen, senior vp-corp affairs
Harry A. Grove, director, adv

PET INC.

St. Louis, Mo.

GROCERY GROUP
A. James Matson, president group
Syl Stevenson, director-mktg, new business devel, director of brands, Pet Evaporated Milk, B&M Beans and Friends', Sego diet liquids and Compliment cooking sauces
Gerald Hayes, director-mktg, Ac'cent, Underwood meat spreads, cereals and sea food
John Ferguson, director-mktg, Mexican foods (Old El Paso)
Steve Kempf, director-sales planning and merch
Swaran Saxena, director-mktg, rsch
Hank Grese, vp-genl sales mgr

SPECIALTY GROUP

W. Rufus Jones, president
Theodore G. Keller, exec vp-sales and mktg
Dairy division
Steve G. Conerly, president
Michael E. Osborne, director-mktg
Eugene B. Veal, senior vp-sales and merch

Frozen foods division

Raymond N. Felitto Jr., president
John J. Kramer, director mktg
Vernon A. Boehler, vp-sales

Whitman's chocolates division

James W. Nixon, president
Robert C. Cameller, national sales mgr
Demar R. Moeller, director-mktg

Bakery division

Gerald L. Scott, president
Jerry H. Burchett, vp-sales and mktg
Specialty printing division

Walter H. Busch, president
Ben Kraft, vp-sales

INTERNATIONAL GROUP

Larry D. Umlauf, president
P. David Seales, exec vp-operations
VENTURE MANAGEMENT GROUP

John E. Mackey, vp

CTX division

James L. McHugh, president
Ralph T. Eberts, vp-mktg and sales

Stuckey's division

Donald W. Barnes, president
Dick Wood, vp-mktg

Advertising Agencies

Haworth Group Inc., Minneapolis—grocery group media planning and buying—Claude W. Stevens, exec vp.

Workshop West, Los Angeles—Old El Paso—Michael Lindsay, creative director.

People performs

"Once again,
our advertisements
in People
generated thousands
of responses.
People's great!"

—Bob Markert, Marketing Manager
Johnson Camping, Inc.

MIDAS INTERNATIONAL

Chicago

R.J. Richards, vp mktg-franchise operations.
Charles J. Graziano, director-adv and sales
promo

R.F. Linder, vp-mktg

Advertising Agency

Wells, Rich, Greene, Chicago—Larry
Singer, president; Jim Avery, senior vp-mng
director; Al Lerman, senior vp-exec creative
director; Lee Berenbaum, natl acct exec.

PEPSI-COLA GENERAL

BOTTTLERS INC.

Chicago

P.J. McCarthy, director-adv

Advertising Agency

Genadco (inhouse agency), Chicago.

International
Business
Machines Corp.

	1983	1982
Sales*	\$48,180,000,000	\$34,364,000,000
Earnings*	5,485,000,000	4,409,000,000
U.S. Advertising	119,222,500	74,972,200

*Worldwide

International Business Machines Corp., Armonk, N.Y., the nation's 58th largest advertiser, increased total advertising expenditures 58% in 1983, to an estimated \$119.2 million.

Significant boosts in spending were made by IBM personal computer systems, which budgeted \$24.7 million for 1983, compared with \$5.3 million in 1982, followed by IBM business computer systems, which spent \$18.7 million, compared with \$2.2 million in 1982. Selectric typewriter advertising increased to \$5.3 million, from \$2 million.

Total measured media spending jumped 59% over 1982, to \$102.3 million in 1983.

In the company's major advertising account move of 1983, IBM transferred \$13 million to \$19 million in corporate tv billings from Doyle Dane Bernbach to Lord, Geller, Federico, Einstein, giving the latter the entire corporate business. DDB kept its cut of the larger IBM Information Systems account, which it shares with Geer, DuBois.

IBM worldwide gross revenues increased 16.9%, to \$40.2 billion in 1983, with U.S. operations up 21.5%, to \$23.1 billion, and foreign operations rising 11.2%, to \$17.1 billion. Domestic net earnings were ahead 20.3%, to \$3.3 billion, and foreign net earnings climbed 31.2%, to \$2.2 billion.

In the six months ended June 30 of the 1984 fiscal year, worldwide net income was \$2.825 billion, up 21.8% from the similar period in fiscal year 1983. The company reported revenues of \$20.784 billion, up 16.3%.

In 1983, 81%, or \$32.5 billion, of IBM's revenues came from sales and rental of equipment. Product purchases increased markedly to \$23.3 billion in 1983, up 38.4% over 1982. In contrast, rental income declined 17%, to \$9.2 billion.

Revenues from services increased 20.3%, to \$7.7 billion in 1983; maintenance grew 16.2%, and program product revenue increased 36%.

IBM's market share in the \$7.5 billion personal/desktop computer industry reached an estimated 28% in 1983, up from 22% in 1982 and 5% in 1981.

IBM sold an estimated 370,000 personal computers in 1983, up from 200,000 in 1982, and it is predicted that this year the company will sell more than 540,000 personal computers. IBM's dealer base nearly doubled from 700 in the first quarter of 1983 to almost 1,300 in the first quarter of 1984.

Although sales to individuals—for business and professional as well as for home use—had been the mainstay of the personal computer business, massive corporate buying for middle managers began in 1983. Recognizing the trend, IBM in October announced refinements to the PC, such as the PC XT/370, that make the desktop machine compatible with IBM mainframe computers.

Late in 1983, IBM began supporting the PCjr, its long-awaited entry in the low-price home computer market,

with heavy advertising featuring the "Little Tramp" character, who appeared in PC advertising. However, the PCjr failed to gain consumer acceptance after its introduction in January, 1984; the basic \$669 model did not include many necessary accessories, and the \$1,329 advanced model was overpriced, compared with competitive models from Commodore, Atari and others.

As a result, IBM in the 1984 second quarter cut the price and lowered its sales projections on the PCjr. And in an effort to reposition the machine as a more serious computer able to do more than play videogames, the company reportedly has considered dropping the "Little Tramp" from the \$40 million PCjr campaign orchestrated by Lord, Geller.

Analysts have projected that unless IBM makes corrections and aggressively repositions the PCjr as a home computer, year-end sales could total as few as 100,000 units, down from original projections of 500,000.

The company joined other major personal computer marketers in beefing up its software offerings in 1983. Software sales are estimated to account for between 5% and 10% of personal computer revenues at IBM.

IBM shipped its first portable personal computer in March, 1984, with most sales coming through nonretail channels. Year-end sales are expected to total about 70,000 units.

In May, 1984, IBM introduced the first part of its long-awaited local area network, linking independent computer systems so they can exchange information at high speed. Full availability is not expected until 1986 at the earliest, which likely will blunt the company's efforts to capture an even larger share of the office automation market.

Measured advertising expenditures for the IBM Displaywriter system were boosted 171%, to \$5.7 million in 1983. A new version of the Distributed Office Support System (DISOSS) software was introduced, allowing the Displaywriter, the scanning computer terminal and the IBM 5520 and data processing system to be connected to an IBM communications software system that is available on the IBM 8100 information system and the 5520 administrative system. The company also added new data processing and business graphics capabilities to the Displaywriter.

In electronic typewriters, the company introduced a linkage feature on its Electronic 95 and Electronic 85 models, providing hookup to a variety of display terminals, word processing systems and computers.

Measured media expenditures for electronic typewriters shot up to \$2.5 million in 1983, from \$821,500 in 1982. The combined budget for electronic and Selectric typewriters accounted for 9% of total IBM media expenditures in 1983, up from 3.6% of the 1982 total.

Advertising expenditures for paper copiers rebounded in 1983 to \$1.8 million, up from \$736,000 in 1982 and approaching the \$1.9 million allocated in 1981. The company introduced the model 3268 serial printer featuring enhanced graphics, four-color capability and a maximum speed nearly three times the rate of the previous model. Printers and copiers contribute an estimated 25% of IBM revenues.

The power and range of large systems were extended with the 3380 disk file, which posted strong sales increases in 1983. During the year the company began deliveries of the 3084, IBM's most powerful processor. In the midrange and small processor arena, offerings were expanded with the new 4300, System/38 and Series/1 models, which offer more speed, capacity and flexibility.

In December, 1983, IBM introduced a new automatic teller machine that dispenses both coins and paper money, positioning the company for a major run against Diebold Inc., its principal competitor in that market.

Among acquisitions, IBM increased its holdings in giant Intel Corp., Santa Clara, Cal., supplier of computer parts, with a 1.84 million share purchase in

August, 1983. IBM's share of Intel stood at about 17.5% by yearend. The link is thought to give IBM an advantage in mainframe computers while reducing the company's dependence on Japanese chip makers. In June, 1983, the company paid \$228 million for a 15% share of Rolm, a Santa Clara-based producer of telecommunications equipment. By the end of the year, IBM owned about 20% of Rolm's stock.

In February, 1984, IBM formed a joint venture with CBS Inc. and Sears Roebuck & Co. to develop a commercial videotext service for people with home or personal computers. Introduction of the system, dubbed Trintex, is not likely for several years. In another joint venture announced with Merrill Lynch & Co., IBM will offer an information and office automation system for stockbrokers and other finance professionals. The service is to go into test in 1985.

In a 1983 court action, IBM settled a protracted civil lawsuit with Hitachi Ltd. and with National Semiconductor Corp. and its subsidiary, National Advanced Systems, over alleged theft of confidential IBM documents and materials. The agreements called for the companies to refrain from using or disclosing IBM proprietary information and gave IBM the right to inspect each company's new products for five years.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$11,719,600	\$9,488,400
Magazines.....	27,172,000	16,404,500
Farm publications.....	398,000	—
Spot tv.....	5,006,000	4,343,100
Network tv.....	52,408,000	29,700,200
Spot radio.....	5,474,000	2,775,200
Network radio.....	507,200	1,540,200
Outdoor.....	12,900	67,900
Total measured.....	102,698,200	64,319,500
Unmeasured.....	16,524,300	10,652,700
Estimated total.....	119,222,500	74,972,200

ADVERTISING PERSONNEL

Corporate

C.G. Francis, director-adv
J.F. King, director-adv programs
C.B. Holleran, director-adv operations
D.E. Frischmann, mgr-corp tv adv
R.W.W. Baker, mgr-corp print adv

Advertising Agency

Lord, Geller, Federico, Einstein, New York—Al Berger, senior vp-mgmt super.

INFORMATION SYSTEMS

GROUP

A.A. Emerson, director-adv
D.H. Butters, mgr-adv
W.H. Harrison, mgr-adv

Advertising Agencies

Doyle Dane Bernbach, New York—Joe Dell'Aquila, vp-mgmt super.
Geer, DuBois, New York—John Allen, senior vp-group acct super.

NATIONAL DISTRIBUTION

DIVISION

I.J. Seligson, mgr-adv and promotions
D.T. Coker, mgr-adv and promotions, retail mktg
J.C. Mahlbacher, mgr-adv, retail mktg

Advertising Agency

Doyle Dane Bernbach, New York—Nancy Wiese, vp-acct super.

FEDERAL SYSTEMS

DIVISION

M.J. Barnes, asst for adv and operations
Advertising Agency
Marsteller Inc., New York—Deborah McAllister, acct super.

ENTRY SYSTEMS

DIVISION

T.D. McGovern, mgr-adv
Advertising Agency
Lord, Geller, Federico, Einstein, New York—Robert Wells, senior vp, director-acct services.

ITT Corp.

	1983	1982
Sales*	\$28,249,842,000	\$21,206,908,000
Earnings*	674,510,000	862,508,000
Advertising.....	134,229,000	159,131,000

*Worldwide

ITT Corp., formerly known as the International Telephone & Telegraph Corp., spent \$134.2 million on advertising in the U.S. last year, down 16% from 1982, to rank as the 49th largest advertiser.

Revenues for the New York-based conglomerate continued to drop in 1983, following a 6% decline in 1982. ITT had revenues of \$20.2 billion, down 4.7%, and net income of \$675 million, up 1.8%.

Worldwide advertising at ITT in-

creased during the year, rising to \$217 million from \$200 million in 1982—a year in which advertising had decreased 5.2% from 1981. Continental Bakery the past three years has spent 19% of the total budget, according to ITT.

The year, 1983, marked the spectacular success of the company's System 12 switching system which received awards equaling 5 million lines in 16 countries, an increase from 1.8 million lines in 1982. The system was introduced in North America in 1983.

The System 12 technology and equipment are also being used as a foundation for the growing medium of cellular mobile systems. ITT is participating in several joint contracts to develop such mobile systems. ITT's first "Celltrex" system was brought on line in Waseca, Minn., in 1983, and operates as part of a multisite field trial network. The Federal Communications Commission just recently began to grant cellular mobile system operators the right to operate in the nation's 20 leading markets. Licenses covering the lesser markets will soon be awarded.

In a dramatic departure from ITT's typical business lines, the company announced its move into the personal computer market with the introduction of Xtra. Based on the design of the IBM PC, the \$3,000 machine began being shipped in April, 1984. ITT will sell the system through ITT Courier Terminal Systems Inc., a fully-owned subsidiary, as well as independent dealers.

One of the year's strongest showings was turned in by the company's Continental Baking Co. subsidiary. Sales from continuing bakery operations reached record levels. The baking division is paced by the Hostess cake line and Wonder bread, the nation's leading bread in terms of sales. The company's Beefsteak Rye built on its lead as the No. 1 rye bread in the country.

Over-all, in measured spending, ITT recorded slight increases in newspapers and magazines. Spot tv spending dropped from \$30.9 million to \$25.8 million, as network tv expenditures showed an even steeper decline—from \$16.6 million to \$9.8 million.

Measured spending on Continental Baking's various brands was almost \$20 million, down 20% from 1982 spending levels. Drawing the top media dollars were Home Pride bread, \$4.1 million, up 5%; Wonder Bread, \$5.9 million, down 38%; and the Hostess baked goods line, \$8.8 million, down 25%. Virtually all this spending was concentrated in spot tv.

The insurance subsidiary, The Hartford Insurance Group, centered its advertising spending on network and spot tv. Its budget of \$3.6 million in measured media was up 9% from 1982.

The insurance group performed "relatively well," according to ITT, in a generally gloomy industry climate. It won the endorsement of the American Assn. of Retired Persons (AARP) to offer homeowners insurance to nearly 15 million AARP members, and became one of the first companies to offer an extensive computerized automation system to its independent agents.

The subsidiary also launched a major drive in 1983 to compare traditional whole-life insurance policies and replace them wherever appropriate with universal life insurance. Of the life policies sold in 1983, the universal life policies accounted for more than 50%.

The Sheraton Corp. subsidiary's budget for measured media increased 7% to \$9.02 million in 1983 with the major portion weighted to magazines and network and spot tv.

The subsidiary was characterized by expansion moves that brought 24 new hotels and inns into the system from Canada, England, Italy, Mexico, New Zealand and the U.S. At year-end there were 453 hotels, inns and resorts operating in 53 countries around the world.

In defense and space, ITT expanded order backlog to more than \$1.6 billion in 1983. This included contracts to produce a new generation of tactical radios as well as a wide range of surveillance and navigational equipment.

While ITT's industrial technology division showed only modest gains, ITT natural resource division and its food products group recorded an increase of more than 20% in income with flat sales revenues.

In diversified services division, which includes insurance, finance, hotel management, communications operations, information transmission, educational services and publishing, ITT showed a general over-all increase in sales.

Among other ITT advertised products were its communication's services, ranging from long distance service to telephone equipment, which drew measured advertising spending of \$5.4 million, most in spot tv for long distance service (\$3.7 million, down 50% from 1982).

ITT also spent \$6.1 million on general promotion, largely in magazines and network tv, down from \$7.1 million in 1981, and the company's lawn and garden implements business bearing the Scott and Burpee labels accounted for \$3.3 million in measured spending, down from \$7.8 million in 1982. Burpee seeds and bulbs got the most, with \$740 million in spot tv. Scotts turf builders got \$435.4 in newspaper supplements.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$3,166,900	\$3,038,100
Magazines.....	11,663,600	10,492,800
Spot tv.....	25,894,500	30,951,000
Network tv.....	9,875,000	16,659,000
Spot radio.....	2,831,000	2,447,000
Network radio.....	314,100	342,500
Outdoor.....	746,500	790,500
Total measured.....	\$53,691,500	\$64,721,900
Unmeasured.....	80,537,400	94,410,000
Estimated total.....	\$134,229,000	\$159,131,900

CORPORATE

MARKETING PERSONNEL

E.J. Gerrity Jr., senior vp-director, corp relations/adv
J.L. Lowden, vp-deputy director, corp relations/adv
J.P. Jannuzzo, director adv-sales promo
T.J. Connolly, director-special events/activities

R.A. Cronenwett, mgr-consumer adv/sales promo services
H.J. Taggart, mgr-special projects, adv/sales promo
M.B. Clifford, mgr-sales promo services.

Advertising Agencies

Biederman & Co., New York—corporate—Barry Biederman, chairman; John Mason, senior vp-mgmt rep; Bob Sigmund, Art Richter, acct exec.

Fritchman Associates, Ridgefield, Conn.—telephone directories—Bud Fritchman, mgmt super.

ITT CONTINENTAL

BAKING CO.

Rye, N.Y.

Corporate Marketing Personnel

John T. Whitmer, vp-director mktg
Patrick Fox, group prod mgr, bread & cake new prods

Laurie Chatafield, director-media
Jeannette Geraci, media coordinator
Frank Sessa, mgr-graphics and design
Arthur J. Cunningham, director-mktg rch

BREAD DIVISION

Marketing Personnel

Sue Herrick, vp-director, bread mktg
Dave Cooper, group prod mgr-Wonder bread

Paula Luftglass, prod mgr-Wonder bread
Jeff Krulwich, director mktg-Home Pride and Beefsteak Rye

Advertising Agencies

Ted Bates Advertising/New York—Wonder, Fresh Horizons, Home Pride breads—Larry Epting, exec vp-client services; Vic Bloede Jr., vp-mgmt rep; Deborah Kaye, acct super-Wonder bread & Home Pride; Tom Meyer, acct exec-Home Pride; Maria Stumpf, acct exec-new prods.

Grey Advertising, New York—Braun Baking, Beefsteak Rye, Fresh & Natural bread—Robert Schoenfein, exec vp-mgmt rep; Warren Fischer, vp-mgmt super; Doris Ann Hutnick, vp-acct super; Mary Andrews, staff assistant.

CAKE DIVISION

Marketing Personnel

Rudy Norris, vp-director of cake mktg
Susan Daneshwar, senior prod mgr-Hostess snack cakes

Arlene Gerwin, senior prod mgr, Hostess breakfast bakeshop

Advertising Agency

Ted Bates Advertising/New York—Hostess cakes—Alan Krinsky, vp-acct super; Maria Stumpf, acct exec-new prods; Lauren Becker, Peter Nathan, acct execs.

THE HARTFORD

Hartford, Ct.

Marketing Personnel

Roger Dove, senior vp-corp relations
Peter Egan, asst vp-director adv
Greg King, asst. director adv

Advertising Agency

McCaffrey & McCall, New York—corp

adv—Bruce Sherman, senior vp-acct super; Ralph Thomas, acct exec.

SHERATON CORP.

Marketing Personnel
Sig Front, senior vp-director mktg
Robert Quinn, vp-director adv
Adrienne Davis, vp-assoc director adv

Advertising Agencies

Creamer Inc., New York—domestic adv
—Stanley Levitz, exec vp-mgmt super; Steven Goddick, senior vp-group super; Ruth Godfrey, acct super; Greg Leddy, Diana Stuart, Carol Ranzenhofer, acct execs.

Compton Advertising, New York—intl adv—Dick Razor, senior vp; Phyllis Hauck, acct super.

O.M. SCOTT & SONS

Marketing Personnel

Bernard Ford, director-mktg services
Schrade Radtke, director consumer lawn mktg

James Fetter, mktg mgr-West and South
Ashton Ritchie, mktg mgr-basic North
Roger Farrington, mktg mgr-professional prods

Donna Rosenstock, asst mktg mgr-professional garden mktg
Elaine Reece, mktg asst-lawns

Robert Rinehart, mgr-business information
Marilyn Black, vp-direct mktg-W. Atlee
Burpee Co.

Mark Bater, director-professional gardens mktg

Advertising Agencies

Doyle Dane Bernbach, New York—O.M. Scott lawn prods—Arie Kopelman, vice chairman; Gordon Sleeper, senior vp-mgmt super; Lauren Berger, vp-acct super.

Rapp & Collins, New York—Burpee prods—David Scholes, exec vp-dir mktg services; Dominick Perone, senior acct exec.

Johnson & Johnson

	1983	1982
Sales*	\$3,610,000,000	\$3,364,000,000
Earnings*	281,000,000	235,000,000
U.S. Advertising	295,328,000	270,000,000*

*Worldwide

Johnson & Johnson, New Brunswick, N.J., the 17th largest national advertiser, increased its U.S. advertising spending in 1983 to an estimated

\$295.3 million, up 9.4% over 1982.

Domestic sales rose 9.4% in 1983, to \$3.61 billion, with domestic net earnings of \$281.8 million, up 19.5% over 1982. Some \$38 million was charged against net earnings because of J&J's divestiture of its dialysis business during the fourth quarter.

Non-U.S. sales declined 4.1%, to \$2.36 billion, in 1983 because of economic conditions in Latin American countries and a strong U.S. dollar worldwide. Worldwide J&J advertising, comprising tv, radio and print media, decreased 2%, to \$301.7 million, in 1983.

New worldwide headquarters, designed by architect I.M. Pei, were opened last year in New Brunswick, N.J., and new plants in Taipei and Singapore were constructed.

More new consumer products were launched in 1983 than at any other time in J&J's history, boosting the consumer product division's contribution to 42.3% of the company's \$5.97 billion in worldwide sales. Consumer products, however, provided only 13.9% of J&J's 1983 operating profit, an increase of 2.2% over 1982.

Professional sales contributed 34.2%, representing the second largest business segment, with a 5.8% gain over 1982. Pharmaceuticals contributed 19.6%, a 5.1% gain despite the negative impact of the withdrawal of Zomax brand zomepirac sodium, a prescription analgesic, from the worldwide market in the first quarter, reducing operating profit in that area by \$37 million. Sales of Zomax in 1982 were \$82 million. Industrial sales, which dropped 4.5% in dollar volume, contributed 3.8% to total revenues.

In the aftermath of the October, 1982, Tylenol capsule cyanide poisonings, McNeil Consumer Products introduced safety sealing procedures on all its products in 1983, and launched Tylenol Extra-Strength Caplets, capsule-shaped tablets coated for easier swallowing, and Junior Strength Tylenol for children.

Total advertising expenditures for Tylenol were \$56.8 million in 1983 in the six media measured by Leading National Advertisers, up 16%. J&J beefed up its total Tylenol advertising about \$20 million to help counter the scare. In the first quarter of 1983, J&J spent \$16 million in measured media on Tylenol brand products, although Tylenol accounts for only 8% of J&J's total sales.

By February, 1984, Tylenol had recovered 95% of its market share before the poisonings in the fall of 1982, staying off increased competition from other acetaminophen products such as Datril and Panadol in recovering its 30% market share of the total \$1.2 billion over-the-counter analgesic market.

As the leading nonaspirin pain-reliever, Tylenol is being challenged in 1984 by the recent introduction of Upjohn's Nuprin and American Home Products' Advil, both containing a former otc prescription analgesic, ibuprofen. J&J is prevented by patent restrictions from introducing its own ibuprofen product until May, 1985.

J & J filed a federal court suit against the Food & Drug Administration in May, 1984, challenging the FDA approval of ibuprofen on the condition that certain warnings on labels and advertisements alert consumers to possible side effects. Advertising claims, J&J contended, were the province of the Federal Trade Commission, not the FDA.

A budget of \$2.4 million out of the total \$9.5 million spent on children's Tylenol was devoted to the Junior Strength item, through Compton Advertising. The remainder in the children's line went to chewable tablets.

McNeil Pharmaceutical went nationwide this past March with a multimedia program urging parents to consult their neighborhood pharmacist for information about drug abuse. McNeil supplied brochures and materials to pharmacists, and a tv spot, created by Clarke & Co., Boston, featured actor Michael Landon in the public service announcement. McNeil had tested the program in New England in 1983.

J&J's Personal Products Co., in a move to protect its leadership of the \$1 billion sanitary-napkin market, introduced Stayfree Silhouettes Body-Shape Maxishields and Assure! Breathable Pantyliners, with 1984 advertising budgets estimated at an unprecedented \$20 million. Sure & Natural Super Maxishields, a line extension of the No. 1 selling Stayfree line, also was introduced.

Measured spending on feminine hygiene products included \$16.6 million for Sure & Natural Maxishields, up 5.7%, Stayfree Maxi and Mini-Pads, \$11.9 million, down from \$19.2 million in 1982, and O B Tampons, \$3.5 million, down 3%.

J&J Baby Products' division introduced in 1983 Affinity—its first new shampoo since Baby Shampoo—aimed at the over-40 market with about \$12 million spent on advertising and \$12 million on sample distribution. Advertising for Affinity broke in February, 1984. J&J and advertising agency SSC&B revamped ad plans for Baby Shampoo last summer, repositioning it for babies and not for adults looking for a gentle shampoo, in response to the overcrowded shampoo-conditioner market, where the shampoo had been losing shares for about seven years.

Measured spending on baby products (bar soap, bath, lotion, oil, powder, shampoo, wash cloths) was \$17.2 million in 1983, down 29%. Baby Shampoo, the big advertised item in the group, attracted \$7.2 million in measured spending, compared with \$7.9 million in 1982.

Band-Aids, one of the company's most recognized products, recorded measured spending in 1983 of \$6.8 million, down from \$9.1 million in 1982, with the difference primarily being \$1 million less devoted each to magazines and network tv.

Thanks to an innovative direct marketing program, J&J's Child Development Toys, a subdivision of J&J Baby Products, now ranks No. 2 in the under-3 age market, behind Quaker Oats' Fisher-Price Toys. The toys, which are advertised in print and on tv, are marketed through retail outlets, including department stores and toy chains. J&J also markets its toys as a series through hospital nurseries, physicians and direct mail. Parents registering their babies at birth receive a new toy or gadget every six weeks or so, geared to the baby's stage of development, along with a booklet explaining the stimulation and education the child gains from the toy. Although profits and volume are not broken out, nine new toys were added to the line last year.

Chicopee's Consumer Products Group launched its first consumer product, Stretch 'n Dust, a disposable dusting cloth imbedded with lemon-scented powder activated by stretching the cloth before use. Measured spending was \$384,100.

The Advanced Care Products division of Ortho Pharmaceuticals introduced through print and tv advertising in 1983 Dimensyn, a menstrual discomfort product, and Micatin, an antifungal product combating athlete's foot in spray liquid, spray powder and shaker powder form.

Professional product introductions included J&J Products' Nu Gauze general-use sponge, touted as superior to cotton gauze used in hospitals and Ethicon's disposable Proximate linear stapler for surgical use.

J&J Products Inc. launched Secure, a denture adhesive seal aimed at the consumer market, and J&J's Dental

Products Co. introduced Cerestore Crown System, Aurafill and Unison spherical alloy to the professional dental market. Among other dental products, Reach toothbrush measured spending dropped 16% to \$4.6 million in 1983, and Act Fluoride Dental Rinse measured spending leaped from \$1.1 million to \$5.7 million.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers	\$1,976,700	\$3,109,600
Magazines	23,239,100	28,535,400
Farm publications	431,600	268,400
Spot tv	9,212,500	7,196,700
Network tv	131,265,900	121,845,300
Spot radio	318,800	953,700
Network radio	1,594,300	1,706,200
Total measured	168,038,900	163,615,300
Unmeasured	127,289,500	106,384,700
Estimated total	295,328,400	270,000,000

JOHNSON & JOHNSON

New Brunswick, N.J.
Marketing Personnel
G.F. (Pete) Tyrrell, vp-adv, corporate staff

JOHNSON & JOHNSON PRODUCTS

New Brunswick, N.J.
Marketing Personnel

Healthcare Div.

P.M. Lonergan, vp-genl mgr
C.M. Selquist, natl sales mgr
A.L. Verdi, group prod director-wound care

J.M. Nugent, group prod director-oral care

M.S. Fink, director-mktg and consumer rch

Orthopaedic Division

J.A. Lent, vp-genl mgr

J.T. Pavlic, director-mktg and sales

G.K. Kunkle, natl sales mgr

L.R. Williams, director-new business devel

Patient Care Division

A.J. Vitarius, vp-genl mgr

J.W. Nelson, director-prod mgmt

W.M. Mahar, director-sales

R.A. Wright, director-mkt devel

Specialty Products

W.E. Dorsett, vp-genl mgr

R.E. Scott, director-military and athletic mktg

G.P. Kutsop, director-federal and industrial sales

Advertising Agencies

Young & Rubicam, New York—ACT fluoride rinse, dental floss, Band-Aid Adhesive Bandages—Mike Feldman, mgmt super.

Cadwell Davis Partners, New York—Reach Toothbrushes—Bob Michaels, senior vp-mgmt super.

Kallir, Philips, Ross, New York—professional mktg programs—John Racik, mgmt super.

Simms & McIvor, Bridgewater, N.J.—orthopaedic div and patient care div.

MED Communications, Hopelawn, N.J.—patient care div.

Cummins, MacFail & Nutry, Somerset, N.J.—specialty products—G. MacFail, president.

JOHNSON & JOHNSON BABY PRODUCTS

Skilman, N.J.
Marketing Personnel

J.R. Utaki, president

T.E. Gardner, vp-genl mgr, consumer prod div

W.C. Egan, director-mktg, consumer prod div

P.S. Boorujy, vp-genl mgr, child devel prods

Advertising Agencies

SSC&B, New York—Baby Shampoo, No More Tangles—Alan Grazio, exec vp; Ian McGregor, mgmt super; Cynthia Williams, acct super; Maureen Markey, acct exec.

Swabs—Alan Grazio, exec vp; Ian McGregor, mgmt super; Cynthia Williams, acct super; Patrick Keough, acct exec.

Affinity—Hal Rover, exec vp; Ned Parker, mgmt super; Jody Wiethoff, acct super; Candy Caciolo, acct exec.

Young & Rubicam, New York—Baby Powder, Baby Cornstarch, Sundown—John Glorieux, group director; Tim Fitzgerald, acct super; Ginny Russo, acct exec.

Baby Oil, Baby Lotion, Baby Cream—John Glorieux, group director; Tim Fitzgerald, acct super; Mark Greene, acct exec.

McCann-Erickson, New York—Baby Wash Cloths, Baby Bar, Baby Bath—Michael Sennott, senior vp; Terry Fitzgerald, Trish Roberts, Matthew McGuire, acct super.

Wunderman Ricotta & Kline—child devel toys—Andrea Farr, vp-mgmt super; Greg DiLorenzo, acct super.

McNEIL CONSUMER PRODUCTS CO.

Fort Washington, Pa.
Marketing Personnel

C.D. Simonds, vp-mktg

J.J. Gallagher, natl sales mgr

J.J. Beahel, director-pediatric mktg

R.E. Whittaker, director prod mgmt

D.W. Pittman, natl professional sales mgr

J.R. McGann, sales promo director

E.A. Behmer, director, communications

J.L. Strickler, mktg rch director

Advertising Agencies

Compton Advertising, New York—T. Lom, mgmt director; J. Sloan, mgmt super; L. Joselow, acct super.

Kallir, Philips, Ross, New York—J. Racik, senior vp; E. McCarren, acct super; J. Grossman, acct exec.

Mendoza, Dillon & Asociados, Newport Beach, Cal.—Richard E. Dillon, president.

McNEIL PHARMACEUTICAL

Spring House, Pa.
Marketing Personnel

T.H. Odiorne, vp-mktg

J.A. Kitchen, natl sales mgr

N.A. Panzenbeck, director-mktg rch

H.R. Rutter, exec director, prod mgmt

E.R. Steel, exec director, mktg comms

Advertising Agencies

Kallir, Philips, Ross, New York—Haldol Haloperidol, Parafon Forte-Meryl Fischmann, vp-acct mgr.

Sudler & Hennessey, New York—Tolmetin tolmetin sodium, Tylenol with Codeine, Tylox—R. J. Brancaccio, senior vp.

Botto, Roessner, Horne & Messinger, New York—Pancrease (brand of pancrelipase)—R.J. Botto, president.

PERSONAL PRODUCTS

Milltown, N.J.
Marketing Personnel

M.R. Hayes, president

J.B. Ziegler, vp-mktg

E.F. Chase, director-prod mgmt

D.P. Fraser, director-mkt rch

P.S. Michaels, A.G. Nuzzo, B.D. Snyder, group prod directors

Advertising Agencies

Young & Rubicam, New York—Stayfree maxipads and minipads, Shower To Shower body powder—Gene O'Sullivan, mgmt super.

SSC&B, New York—Carefree panty shields, Assure! Breathable Panty Liners—George C. Bauerschmidt, mgmt super.

Cadwell Davis Partners, New York—Sure & Natural maxishields, o.b. tampons—Jeffrey Ziegler, mgmt super.

Compton Advertising, New York—Stayfree Silhouettes Body-Shape Maxi's, Take Off—D. Bausch, mgmt director.

JOHNSON & JOHNSON DENTAL PRODUCTS CO.

East Windsor, N.J.
Marketing Personnel

H.S. Lager, group vp

J.B. Godshall, vp-mktg

M.E. Duggan, vp-worldwide business devel

Advertising Agencies

Mel Richman Inc., Bala-Cynwyd, Pa.—Douglas Jung, acct super.

M.E.D. Communications, Woodbridge, N.J.

ORTHO PHARMACEUTICAL CORP.

Raritan, N.J.
Marketing Personnel

R.W. Croce, vp

Kallir, Philips, Ross, New York—L. Palmer, vp-acct super.

Advanced Care Products Division

Marketing Personnel

D.B. Bellaire, vp-mktg

J.L. Abramson, director-mktg info and strategic planning

Advertising Agencies

McCann-Erickson, New York—H.L. O'Brien, senior vp-mgmt rep.

Barnum Communications, New York—R. Bond, senior vp-mktg.

Dermatological Division

Marketing Personnel

L.G. Pickering, director-mktg

Advertising Agency

Kallir, Philips, Ross, New York—L. Palmer, vp-acct super.

ORTHO DIAGNOSTIC SYSTEMS INC.

Raritan, N.J.
Marketing Personnel

F. A. Barnett, vp-mktg

Kallir, Philips, Ross, New York—Raymond Wilhelm, acct super.

CHICOPEE

New Brunswick, N.J.
Marketing Personnel

R.L. Bramson, vp-mktg, industrial div

J.S. Neely, vp-mktg, consumer div

R.J. Munoz, vp-mktg, affiliate div

J.J. Quaid, vp-mktg, branded prods

Advertising Agencies

ST&L Associates, New Brunswick, N.J.—Howard Rich, acct exec.

SSC&B, New York—George Bauerschmidt, senior vp; Lucy Loux, vp-acct super; Christie James, acct exec.

CODMAN & SHURTLEFF INC.

Randolph, Mass.
Marketing Personnel

R.F. Caffrey, vp-mktg

Advertising Agency

Grover & Carroll, Boston—C. Stuart Grover, acct exec.

ETHICON INC.

Bridgewater, N.J.
Marketing Personnel

L.J. Armour, vp-sales

R.N. Jones, vp-mktg services

R.M. McCaffrey, vp-mech prods

F.J. Ryan, vp-mktg, sutures

E.S. Giegler, director-adv/sales promo

Advertising Agency

Simms & McIvor, Bound Brook, Mass.—P.A. McIvor, acct super.

CRITIKON INC.

Tampa, Fla.
Marketing Personnel

Thomas E. Taylor, president

George R. Lucas, acct super; Philip T. Flach, vp-sales

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Billie V. Wooley, director-prod mgmt
Advertising Agencies
Lewis, Gilman & Kynett, Philadelphia—
K.A. Marden, V. Harris, acct execs.
HL&A Advertising—C. Hessemer, president.

FITMAN-MOORE INC.
Washington Crossing, N.J.

Marketing Personnel
G.A. Oram, mktg director
M.C. Rodenbaugh, director-diagnostic
narket

D.L. Sleighter, group prod director
Advertising Agency

Brady Co., Milwaukee.
SURIKOS INC.
Arlington, Tex.

Marketing Personnel
E. Tanner, president
J.D. Terry, vp-mktg
M. Smoler, vp-prod mgmt
J.W. Midgley, director-mktg rch and new
ventures
Advertising Agency
Ruvane-Leverte, New York—Walter
Landers, acct super.

S.C. Johnson & Son

	1983	1982
Sales	\$2,000,000,000	\$2,000,000,000
Earnings	N/A	N/A
Advertising	\$6,970,300	74,616,300

S.C. Johnson & Son, Racine, Wis., the 74th largest national advertiser, increased 1983 advertising expenditures 16.6%, to \$87 million.

Privately held S.C. Johnson, which continued to feel the impact of the poor economic conditions worldwide, had estimated worldwide sales of \$2 billion, the same as 1982, which represented an increase of 10% over 1981. U.S. sales also remained at the 1982 level of \$880 million.

In 1886, Johnson entered the marketplace and built its reputation on floor and furniture care products. Though the company has branched into automotive and household products, insecticides and personal care, and in 1984, over-the-counter drugs, media spending on floor and furniture care products continues to demonstrate S.C. Johnson's commitment to its original market.

Johnson's largest media buy among categories was for floor care products. They represented \$14.6 million in media expenditures, or 23% of total measured media advertising of \$61.8 million as monitored by Leading National Advertisers.

The largest single share of measured media spending in this category, \$6.85 million, went to Clean 'N Clear, an all purpose cleaner, introduced in January, 1983.

Other floor care products, such as Brite, doubled media spending to \$3.4 million in 1983; Future liquid floor finish increased 8%, to \$2.4 million, and Step Saver floor wax jumped 54%, to \$1.9 million. Modest expenditures of \$7,400 and \$6,500 were spent on Klear and Glo Coat wax, respectively.

Dollar based market share for Johnson's total floor care category continued at the 1982 level of 53.5% of the U.S. market.

In an end-of-summer rollout from its personal care division, the largest single share of media spending went to Curel, Johnson's new therapeutic skin lotion. With a \$10 million ad campaign Johnson expects Curel to continue its test market (conducted since October, 1983, in Portland, Me., and Tucson, Ariz.) performance where it became the No. 1 therapeutic lotion.

Spending for Soft Sense skin lotion dropped to \$4.12 million, from \$9.6 million in 1982.

Introduced in 1981, stressing a cosmetic position and later assuming therapeutic overtones in a "Sticky Fingers" ad campaign, Soft Sense garnered a 6.6% case market share in 1982 and has not been able to progress further than No. 3 in the category.

As further support for skincare activities developing worldwide, Johnson has signed a letter of intent to purchase the Palo Alto, Cal.-based dermatology division of Cooper Laboratories. This acquisition would add: Aveeno cleansing bars and bath products (\$1.2 million in 1983 measured media spending), Pentrax medicated shampoo, Rhuli antiseptics and anti-itch products for treatment of skin irritation.

Negotiations were still in progress at press time.

In December, 1983, Johnson introduced Edge Extra with a promotion handled by J. Walter Thompson USA. Targeted at the 18-to-25 market, the new shaving gel is a thicker, richer formula that is expected to appeal to those looking for a thicker foam.

Edge gel continues to hold a strong position in the men's shaving preparation category. As No. 1 in its category according to the company, it maintained that rank even while Gillette launched Foamv Gel.

With a slight increase from a mid-1983 dollar-based market share of 20.2% to a mid-1984 share of 22%, S.C. Johnson follows its pattern of strong support for successful products, raising 1983 media spending 48%, to \$3.1 million. That makes Edge one of the eight products with an advertising budget of more than \$3 million.

In March, Johnson subsidiary Rydelle Laboratories introduced Fiberall, a natural fiber laxative, Johnson's first otc product.

The straightforward campaign by Foote, Cone & Belding, Chicago, with a national promotion budget estimated at \$7 million, places heavy emphasis on the sugar-free formula and natural and orange flavors. In June, the Fiberall account abruptly was transferred to Laurence, Charles & Free, New York. It is the agency's first account from Johnson. FCB continues to handle other Johnson products.

Among other introductions, Basic Black and Chrome Cleaner made their debuts in the J-Wax automotive after-market category. Johnson sees both automotive products answering the consumer's desire for a "finishing touch" on their automobile.

New product Colonial Gardens Foaming Milk Bath Collection, marketed by Johnson's Northern Laboratories, Manitowoc, Wis., came out in antique-reproduction bottles and was positioned as a high-quality, midprice alternative to the more expensive Vita Bath and Jean Nate. The milk bath introductory campaign by G.M. Feldman, Chicago, estimated at \$200,000,

is almost entirely point of purchase displays, which was considered most effective for communicating strong price and gift points.

Northern Laboratories also announced the restaging of Capri hair-care products. The \$500,000 national ad campaign by G.M. Feldman broke in late August. New packaging with a flip-top cap and reformulation are expected to compete more effectively in the price/value haircare category. Measured media spending in 1983 for Capri shampoo increased 10%, to \$35,200.

While Johnson generally increased media spending on haircare, spending for Agree creme rinse conditioner decreased 27%, to \$1.4 million, as spending for Agree shampoo increased 37%, to \$2.7 million, and Agree shampoo and creme rinse conditioner rose 22%, to \$2.4 million. Enhance shampoo and conditioner plummeted 97%, to \$35,600.

This has been a brutal year for the shampoo and hair conditioner market, Solomon Brothers analyst Diana Tem-

ple says. Johnson's combined shampoo dollar market share has dropped steadily from 4.8% in 1982, to 3.6% in 1983, to 2.8% the first quarter of 1984. The combined hair conditioner dollar market share illustrates a similar decline from 11% in 1982, to 8.1% in 1983, to 5.9% the first quarter of 1984.

Johnson continues to have a combined case market share of 54% in the furniture care category. Pledge, holding a 40.4% case market share, increased media spending 14%, to \$6.5 million; Favor, with a 7.1% case market share, increased ad expenditures 55% to \$1.8 million. Complete, with only 2.5% case market share for the second year running, lost all measured media support.

Glade Spinfresh air freshener bathroom tissue holder received \$3 million in measured media spending; Glade aerosol increased spending 57%, to \$2.3 million; Glade Spinfresh, new in 1982, was supported with \$836,000, and Glade solid dropped 89%, to \$1,300. Johnson continues to domi-

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nate the aerosol air freshener market with Glade holding a 50% case share.

Shout laundry soil and stain remover, continuing to hold a 30.3% case market share, increased media expenditures 16%, to \$3.2 million.

Off! insect repellent increased measured media spending 24%, to \$2.5 million, and it continues to hold its strong 1982 79.6% case market share.

Increased spending for Raid products continued—except for the vegetable fogger, which dropped 16%, to \$1.8 million. That was the third year of consecutive spending declines for the product. Ant and roach killer was up 58%, to \$256,000; Flea killer up 84%, to \$616,200; Indoor Fogger up 66%, to \$2.3 million, and insecticides more than tripled expenditures, to \$6 million. Johnson introduced outdoor flea killer and Fire Ant Killer in the South and Southwest. Case market share for Raid products remains at 1982's 48%.

In a surprise move from an often conservative prime-time advertiser, S.C. Johnson's Soft Sense skin lotion was one of several tv sponsors of "Something About Amelia," a story that dealt with the sensitive subject of incest. The made-for-tv film drew strong ratings and very little negative response from the public.

Johnson subsidiary Northern Laboratories consolidated advertising with G.M. Feldman, Chicago. Previously handling the J-Wax line, Feldman now has Capri personal care products; "Hot-Shots," a new hand warmer, and Goddard household cleaners.

In May, 1984, a number of personnel changes occurred, including the appointment of William D. George Jr. to exec vp-consumer products, Europe, Africa and Near East; Terence S. Malone replaced Mr. George as exec vp, Johnson Wax Associates; John D. Crabb, former vp-regional director consumer products, Europe, replaced Mr. Malone as vp-regional director

consumer products, Pacific and Far East; Harold A. Suess, formerly vp-regional director, commercial products, Europe, Africa and Near East, was appointed vp-general manager, U.S. consumer products home care; Barry P. Harris, previously general manager, U.S. consumer products home care, replaced Mr. Suess and will report to Richard M. Carpenter, exec vp-Worldwide Innochem; Richard F. Chay, director-marketing research, is no longer with Johnson and the position remains open; Charles L. Colman, former manager insect control products, replaced Robert Groat, who was appointed corporate planning manager, as manager-crawling insect products.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$2,340,300	\$1,577,000
Magazines.....	11,967,200	9,458,400
Spot tv.....	6,020,300	8,890,100
Network tv.....	40,716,500	34,266,500
Spot radio.....	517,300	395,500
Network radio.....	2,526,000	478,800
Total measured.....	64,087,600	55,066,300
Unmeasured.....	22,882,700	19,550,000
Estimated total.....	86,970,300	74,616,300

S.C. JOHNSON & SON U.S. CONSUMER PRODUCTS Marketing Personnel

S.A. Preston, exec vp
D.C. Henry, vp-sales
H.A. Suess, vp-genl mgr, home care
R.E. Posey, genl mgr, insect control
C.J. Goldthwaite, genl mgr, personal care
A.B. Priemer, director-media and consumer relations
P.J. Grieger, pr mgr
New product devl mgrs: R.D. Perry, J.M. Hutterly
Category mgrs: K.H. Smith, J.O. Scherer, L.H. Seabolt, M.L. McKie, J.F. Bleharski, R.L. Ziegenhagen, W.C. Thomson.
Product mgrs: W.E. Roehrick, D.L. May, H.B. Beighley, S.E. Johnson, W.L. Stewart, L.J. Gast, D.J. Meyers, V.A. Thomas, C.L. Colman, D.N. Fine, C.F. Allison, P.P. Scalera, M.E. Leopold, O. Thourault, F.C. Chud, P.E. Peterson, G.T. Schutz, N. Comstock, S.E. Blood, J. Fernandez, J.E. Marzaro.

Advertising Agencies

Footo, Cone & Belding, Chicago—Raid, Off!, Future, Brite, Shout, Soft Sense—D. Fox, vp-mgmt super.
J. Walter Thompson USA, Chicago—Pledge, Favor, Step Saver, Clean 'N Clear, Complete, Glade aerosol, Glade Spinfresh, Edge, Agree, Enhance—J. Furr, vp-mgmt super.

WORLDWIDE INNOCHEM OPERATIONS

T.S. Malone, exec vp
W.O. Herbst, mgr-special mkts
A.S. Getz, president-genl mgr, Johnson Creative Arts
F.J. Herre, president-genl mgr, Worldwide Under Sea Industries
W.R. Tenney, president-genl mgr, Johnson Fishing Inc.
D.D. Drab, president Forelon Inc.
J.R. Reyen, president-genl mgr, Johnson Camping Inc.

INTERNATIONAL CONSUMER PRODUCTS

L.R. Peterson, exec vp
W.D. George, exec vp-consumer prod, Europe/Africa/Near East
M.B. Miller, vp-regional director, consumer prod, Africa/Near East
J.D. Crabb, vp-regional director, consumer prod, Pacific/Far East
W.D. Perez, vp-regional director, consumer prod, Americas

Kellogg Co.

	1983	1982
Sales*.....	\$2,381,100,000	\$2,367,100,000
Earnings*.....	242,000,000	228,000,000
Advertising.....	176,306,900	154,167,300

*Worldwide

Kellogg Co., Battle Creek, Mich., increased its advertising 14.3% to an estimated \$176.3 million in 1983, making Kellogg the 37th largest national advertiser.

In measured media, the company's spending increased about 15%, to \$117 million during 1983.

Sluggish sales were a symptom of the nation's No. 1 cereal marketer's problems. Kellogg had 1983 net sales of \$2.38 billion, a less than 1% increase over 1982. Net earnings for 1983 were \$242 million, 7% higher than the previous year.

Kellogg went on a marketing offensive in 1983, using a "back-to-basics" advertising strategy to fend off growing competition from generics and private labels in the domestic ready-to-eat cereal category. In the past three years, Kellogg has seen its market share drop from 40.7% to 35.7% in 1983, with the major threat coming from General Mills, rising from 20.5% to 23.2% of market during the period.

In the spring of 1983, the company began its push with the introduction of

Crispix cereal, backed by an \$8.3 million campaign via J. Walter Thompson USA, Chicago.

Since then, Kellogg has launched a new cereal product each quarter. Strawberry Krispies, an extension of the company's successful Rice Krispies line, was introduced during the summer of 1983.

In the fall, Kellogg's Fruitful Bran was launched with a \$17 million effort that included tv, couponing and promotion.

In the first half of 1984, backed by a \$17 million effort, Kellogg introduced C-3PO's in the competitive children's cereal category. Also, Apple Raisin Crisp made its debut, backed by a \$16 million to \$20 million campaign themed, "Homemade taste in a new kind of cereal." This fall, the marketer will launch Raisin Squares, spoon-size squares of shredded wheat with raisin inside. Leo Burnett USA, Chicago, handles the account.

This string of new cereals is being introduced under Kellogg's revised marketing strategy, outlined at the company's annual meeting this spring.

To stem eroding market share, Kellogg is relying heavily on prime time tv advertising—network tv spending rose 20% to \$73 million—more couponing, stronger selling messages, more focused brand identity and a more continuous presence in the media, says Gerald Robinson, president of its U.S. Food Products division.

The strategy appears to be working. Kellogg's market share has climbed steadily each month from a low of 35.7% in January, 1983, to 38.8% in January, 1984. Kellogg says those shares continued to show improvement in fiscal 1984, marked by net sales for the first six months of \$1.287 billion, an 8.9% increase over the first half of fiscal 1983. Net earnings were \$129.7 million, up 5.1%. Earnings were affected by a drop of 6.7% in second-quarter earnings, a drop reflecting heavy advertising and research spending.

Health-conscious adults are one of Kellogg's key markets, but it has not always been successful with product extensions into this market. The company dropped no-salt versions of both Corn Flakes and Rice Krispies after repeat sales in four test markets failed to meet expectations.

Despite that failure, it appears the company will continue to focus on nutritional-minded young adults. Advertising for Kellogg's Pop Tarts positions the product against granola products, comparing the iron and vitamin content of the two.

The company also plans to enter the granola category with a snack "a step above the regular granola bar." The product may be available late this year.

Kellogg's biggest disappointment in 1983 was the failure of its Mrs. Smith's line of frozen crepes, quiches and Italian entrees. Introduced early in 1982—about the same time as Swift & Co.'s International Entrees, Campbell Soup Co.'s Le Menu and Armour Foods' Dinner Classics debuted—it garnered only a 0.5% tonnage market share in the 5.6 million-lb., single-dish frozen entree category over a 52-week period ended in August, 1983.

Industry sources say the line failed because of a combination of poor quality, high pricing and bad marketing. Kellogg spent \$5.3 million in measured media to introduce the line in 1982, but spent only \$540,000 advertising the products in 1983.

Kellogg's officials maintain that frozen food is an attractive category for the company and Mrs. Smith's lackluster performance in that market to date should not be perceived as a withdrawal from the market. Last summer, Kellogg introduced Eggo frozen pancake batter into 12 test markets. The product is still in test.

The company has stopped promoting its Le Shake drinkable yogurt, which had been distributed in the Northeast. However, Whitney's yogurt, another of subsidiary Whitney's Food's products, shows promise.

Whitney's, a super-premium yogurt, has been marketed in the New York and Washington/Baltimore markets and in Philadelphia since early summer. Because of product demand, however, it may be two years before Kellogg can produce enough of the product to roll it out nationally.

Kellogg sold its fresh food Desserts Services Group to Massachusetts-based M.L. Dessert Co., a division of Worcester, Mass.-based Table Talk Bakery. The desserts group had introduced Mrs. Smith's bagels in 1982 in a 10-state area.

The company discontinued its Make It Easy line of drink mixes that were marketed under Kellogg's Salada Foods division.

Also, Sandoz Canada, a unit of the Swiss pharmaceuticals company, bought Kellogg's Neo Citran line of cold remedies that are marketed in Canada. Kellogg Salada Canada will continue to manufacture Neo Citran products, however, under a "long-term co-pack agreement," according to the company.

Kellogg International, operating in 18 nations, represents about 34% of the company's net sales. Although its cereals' pound volume was on the rise in 1983, the reduced value of foreign dollars caused the division's sales to fall 4%, to \$821.1 million.

The company made its strongest showings in Australia, Canada, West Germany and the U.K. The division opened its newest plant in Seoul, South Korea, in August, 1983. The plant manufactures Kellogg's Golden Flakes, Corn Frost, Krispies and Honey Pops.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$3,257,500	2,695,500
Magazines.....	6,180,800	9,359,300
Spot tv.....	34,136,200	30,854,300
Network tv.....	73,006,300	61,810,200
Spot radio.....	459,800	794,000
Outdoor.....	7,900	254,000
Total measured.....	117,942,500	104,167,300
Unmeasured.....	59,264,400	50,000,000
Estimated total.....	176,306,900	154,167,300

KELLOGG U.S. FOOD PRODUCTS DIVISION Marketing Personnel

G.D. Robinson, president
M.D. Simpson, senior vp-mktg
W.T. Lambert, vp-sales
W.H. Weintraub, category mgr-ready-to-eat cereals
K.C. Smith, mktg services mgr

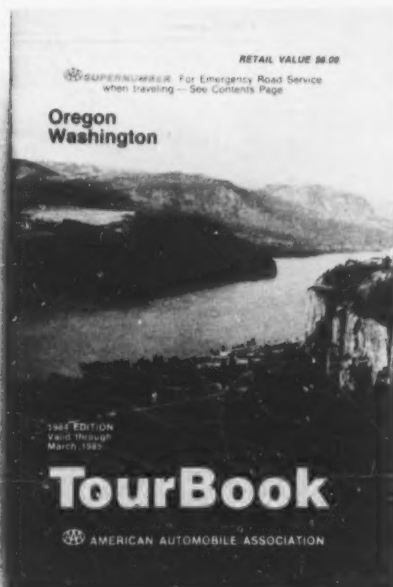
Advertising Agencies

Leo Burnett USA, Chicago—cereals, toaster pastries, non-cereal—W. Lynch, exec vp; J. Jennings, vp-acct director; W. Whitman, vp-acct super; G. Kash, G. Singer, acct supers; D. Baker, D. Fletcher, M. Hutter, A. Kramer, T. O'Day, L. Paul, R. Remick, C. Rosengarden, acct execs.

J. Walter Thompson USA, Chicago—cereals—J. Tukey, senior vp-group acct director; G. Moss, senior vp-acct director; H.

KNOW THY COMPETITION

See page 52



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Blank, G. Lange, acct supers; D. Aymar, E. Bortz, D. Schlafani, acct reps.
Vince Cullers Advertising, Chicago—V. Cullers, president.

U.S. SUBSIDIARIES
Marketing Personnel
A.G. Langbo, group exec vp, Kellogg Co.

MRS. SMITH'S
FROZEN FOODS CO.
Pottstown, Pa.

Marketing Personnel
A.G. Langbo, president
J.J. Feeney, exec vp-administration
M.L. Wolfe, senior vp-mktg & sales
J. MacDonald, eastern zone manager
P. Bartos, western zone manager

FEARN
INTERNATIONAL
Franklin Park, Ill.
Marketing Personnel
D.E. Thompson, president
E.K. Jorgenson, senior vp-sales & mktg
Advertising Agency
Davis, Munder & Ostir—P. Munder, president.

SALADA FOODS
Little Falls, N.Y.
R.J. Lievense, president
E.F. Kline, senior vp-mktg & sales
Advertising Agency
Leo Burnett USA, Chicago—teas, pies, waffles, yogurt—D. Collins, vp-acct director; B. Key, J. Smith, acct execs; A. Chichester, R. Paluta, acct rep.

ties, such as aircraft maintenance, finishing and refurbishing, machinery design and truck transportation services.

In the consumer division, K-C reached full national distribution in 1983 of its Depend incontinence garments.

In February, 1984, the company extended the Depend name by introducing an eight-product line of skincare products for incontinence sufferers. The line is currently in Wisconsin markets and available through specialized home healthcare stores. Ad support for Depend in 1983 totaled \$3.2 million, most of it for network and spot tv. The brand's competition comes from Procter & Gamble's Attends.

In the \$2.5 billion disposable diaper market, K-C's Huggies grabbed a 24% market share in 1983, surpassing P&G's Luvs as the No. 2 brand. P&G's Pampers held on to No. 1 with an all-time low 37% share, while Luvs slipped to 17%. These figures compare with 1982's 42% for Pampers, 19% for Luvs and 14% for Huggies.

Ad spending for Huggies rose again in 1983 to \$19 million, an increase of 26% over 1982. In addition to tv and print, the brand received coupon and hospital sampling support.

Analysts predict K-C will lose some of its market share in 1984 because the company is already producing at factory capacity and the market is growing. It is believed by some industry watchers that P&G's new improved Pampers and Luvs should help P&G recover its market dominance.

For feminine hygiene products, K-C continued its ad support of the New Freedom line, spending \$15.7 million. This is an increase of 8.2% over 1982's \$14.5 million. K-C is considered to be the No. 2 pad marketer with an estimated 35% share.

Keeping up with the competition from P&G's new Always line, K-C introduced nationally a thin pad, New Freedom Thin, in late 1983. Analysts predict the thin pads, which offer the same protection as thick pads but also greater comfort and convenience, will be the next stage of development for

external protection.

Ever since the linking of toxic shock syndrome and the use of tampons, the external protection market has shown healthy gains at the expense of tampons. Spending on K-C's Kotex Security tampons reflected this trend and declined considerably to \$3,000, from \$255,200, in measured ad spending in 1982.

Over-all, the Kotex brand line received \$8.3 million in ad support, down 19% from 1982.

Ad spending on K-C's Kleenex facial tissues was \$8.4 million last year, a slight increase of 1% over spending for the brand in 1982. Kleenex Softique, an extra-soft product introduced early in 1982, continued to receive heavy ad support of \$4.3 million, up 98% over 1983 expenditures.

K-C's lower priced Hi-Dri brand facial tissues and paper towels received \$66,000 in ad support in 1983.

It was a quiet year for K-C agencies. The company assigned the K-C nonwoven fabrics division to Roswell, Ga., to Oglivly & Mather, Atlanta,

from Kocs & Wesson, Elm Grove, Wis. O&M will handle advertising, direct response and pr services for Evolution recreational fabrics and Accord furniture fabric.

The company also assigned Depend incontinence briefs to M.E.D. Communications, Hopelawn, N.J., for promotion to the medical market. Campbell-Mithun, Minneapolis, continues to handle consumer ads.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$3,869,400	\$1,669,900
Magazines.....	11,138,700	10,062,500
Spot tv.....	12,308,400	10,831,700
Network tv.....	30,682,500	28,787,500
Spot radio.....	24,300	86,400
Total measured.....	58,023,300	51,438,000
Unmeasured.....	19,436,700	17,865,900
Estimated total.....	77,460,000	69,303,900

K-C CONSUMER AND SERVICE COS. Marketing Personnel U.S. only

P.N. Larson, president, North American Consumer Products Co.
T.A. Newby Jr., vp-infant care prods
J.D. Bernd, vp-tissue business group

Kimberly-Clark Corp.

	1983	1982
Sales*.....	\$3,274,300,000	\$3,000,000,000
Earnings*.....	189,000,000	197,400,000
U.S. Advertising.....	77,460,000	69,303,900

*Worldwide

Kimberly-Clark Corp., Neenah, Wis., the 77th largest advertiser in the U.S., spent an estimated \$77.5 million in advertising, up 11.8% over 1982.

Sales increased 9%, to \$3.274 billion, in 1983. However, net income fell 4%, to \$189 million. This is the second straight year K-C posted lower earnings.

The company cited two major reasons for the decline in net income—the recession accompanied by the strength of U.S. currency in the past two years and a second year of depressed earnings from K-C de Mexico, S.A. de C.V.

Kimberly-Clark derived 29% of its sales and 19.7% of its net income from abroad in 1983 against \$2.326 billion in sales, or 71% of total sales, and \$135.9 million in net income, or 72% of worldwide net income from its U.S. operations. Earnings from the Mexican division declined to \$12 million, or 6% of the company's net income. The Mexican unit recorded only \$13 million in 1982, but \$36 million, or 18% of the company's net income, in 1981.

Despite the declines, the company did end the year with a strong fourth quarter and continued to report gains into the first quarter of fiscal 1984.

Largely because of higher volume, sales in the first quarter of 1984 increased 11% from the 1983 level, to a record \$902 million. Operating profit rose 9%, to \$98 million, while net income was \$61 million, up 16%.

K-C products are divided into three main groups: Consumer and service; newsprint, pulp and forest products, and paper specialties.

The largest group—consumer and service—accounted for 69% of the company's sales in 1983, up from 68% in 1982. The consumer and service group again had strong volume sales for most of its products, which include facial tissue, bathroom tissue, feminine pads and tampons, disposable diapers, paper towels and incontinence products sold worldwide under a variety of brand names. Operating profit rose 17%, to \$315 million, with volume gains particularly strong for Kleenex Huggies disposable diapers and for tissue products.

The newsprint, pulp and forest products contributed 16% to K-C sales; the paper and specialties class, 13%. The paper and specialties class operating profit rose 31%, to a record \$77 million in 1983. Operating profit for the newsprint, pulp and forest products sector declined 49%, to \$27 million. Company officials said depressed prices for most of 1983 kept profits low.

In addition to the major product classes, K-C is engaged in other activi-

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Contact Ben Lipstein or Mel Appelbaum.

T.L. Dahl, vp-personal care business group
R.S. Fountaine, vp-U.S. mktg rsch
W.M. Heran, vp-new business devel
G.A. Zins, vp-consumer tissue
R.C. VanDriest, vp-feminine care
G.L. Ker Jr., director-adv services
Advertising Agencies

Ogilvy & Mather, New York—Kleenex
Huggies diapers; New Freedom feminine
care prods; Kotex feminine care prods—
C.N. Angers, group director.

Footie, Cone & Belding, Chicago—
Kleenex and Softique facial tissue; roll
prods; table napkins—D.W. Fox, group
mgmt super.

Tatham-Laird & Kudner, Chicago—New
Products—L. Garrison, mgmt super.

Campbell-Mithun, Minneapolis—De-
pend incontinence products; new products
—M. Betsch, mgmt super.

K-C HEALTH CARE, PAPER AND SPECIALTIES COS. Marketing Personnel (U.S. only)

M.F. Gade, president

K.L. McClure, staff vp-business planning
and systems

A.B. Amdur, director, mktg rsch

R.H. Sonnentag, exec vp-technical paper
and specialty prods group, newsprint,
forest and forest prods group and non-
woven fabrics divisions

R. Plaut Jr., vp-technical paper and
specialty prods businesses

J.H. Sweitzer, director-mktg rsch, specialty
prods businesses

C.M. Sutterfield, vp-service and industrial
division

T.D. Plant, vp-technical papers business

J.S. Rausch, vp-nonwoven fabrics div

R.D. Carter, vp-medical fabrics div

G.R. McGrevin, president-health care prods
group

A.H. Johnson, president-service, industrial
and business papers group

J.O. Skagen, vp-Neenah paper div

R.W. Kohl, vp-Brown-Bridge div

K.A. Ingram, vp-Karolton envelope div

M.O. Nelson, president-newsprint, pulp and
forest prods group

S.B. Pinkerton, president-U.S. newsprint,
pulp and forest prods

Advertising Agencies

M.E.D. Communications, Hopelawn,
N.J.—healthcare prods—William Paciak,
vp.

Cargill, Wilson & Acree, Atlanta, Ga.—

industrial wipes and service tissue prods,
durable printing papers—Tom Sabin, mgmt
super.

Ogilvy & Mather, Atlanta—nonwoven
fabrics—Ed Brown, acct super.

Carillon Advertising, West Milton, O.—
gummed papers—Mario Smiraldi, presi-
dent.

Kamstra Communications, St. Paul,
Minn.—writing and printing papers—John
Warner, acct super.

K mart Corp.

	1983	1982
Sales*	\$18,600,000,000	\$16,800,000,000
Earnings*	\$92,300,000	\$81,800,000
U.S. Advertising	400,000,000	366,136,900

*Worldwide

K mart Corp., Troy, Mich., the na-
tion's second largest retailer in sales
volume and ninth largest national ad-
vertiser, spent \$400 million on adver-
tising in 1983, an increase of 9.3% over
1982.

Network tv spending hit \$37 million
in 1983 and is expected to top \$50 mil-
lion in 1984, much of it already spent on
advertising during the Olympics,
bearing K mart's exclusive Olympics
campaign positioning line: "K mart.
We've got it good."

K mart did have it good in 1983,
with earnings of \$492.3 million, up
88%, on sales of \$18.6 billion, up
10.7%. K mart maintained that pace
into the first half of fiscal 1984, ended
July 25, posting earnings of \$202.4
million, a 23.8% increase over the cor-
responding period in 1983, on sales of
\$9.23 billion, up 7.1%—results cre-
dited to new merchandising programs
and remodeling efforts.

K mart would not release a break-
down of sales by division for fiscal
1983, but industry sources suggest the
retailer's apparel division generated
more than \$4 billion in sales, up 11%
from 1982. A company official antici-
pated an increase of 13% to 15% in
1984 apparel sales.

Perhaps more impressive than ad-
vertising expenditures alone is the
message K mart is striving to get
across with those ad dollars and the
massive store remodeling and expan-
sion effort the giant discount retailer
began three years ago. Now well into
the systemwide makeover for a more
upscale "store of the '90s," K mart is
underscoring the snappier image with
new advertising campaigns that speak
more to service themes than price
points.

"We still want them to think of us as
the price leader—we are still a dis-
count store—but we're going more for
the generic commercials and highlight-
ing the stores," said Gerald Habeck, K
mart director-advertising.

This is the intent of a new tv spot
with the theme "satisfaction always,"
airing in select regions and destined to
serve as the prototype for the new K
mart campaigns. In the spot aired na-
tionally with Olympic coverage, a
small boy with a new K mart catcher's
mitt misses everything—fly balls and
grounders. He returns the mitt ("it
doesn't catch anything") and K mart
takes it back.

"That's a strong change in advertis-
ing image, by not offering price items
on tv but going more for the over-all
image," Mr. Habeck says.

Perhaps in its strongest move to
identify with a class act, K mart in-
vested \$40 million in 1984 Olympic
advertising and promotional cam-
paigns.

K mart was the exclusive retail
sponsor of ABC's telecast of the winter
games in Sarajevo, Yugoslavia. It was
co-sponsor of the Summer Olympiad
in Los Angeles, with 92 30-second
spots. The majority of the retailer's
Olympics budget went to tv, the re-
mainder to magazine, radio, newspa-
per and point of purchase promotions.

Most visible during 1983 were
changes in traditional K mart stores, as
well as the addition of new name out-
lets offering a variety of brand-name
and other discounted goods. Within
existing K mart stores, display floors
were remodeled for a more sophisti-
cated look.

The company is attempting to keep
its old customers while wooing new
ones and encouraging all to consider K
mart the place to find quality home
and dress fashions at discount prices,
in addition to the traditionally inex-
pensive deals on everyday items.

"Men and women have more spend-
able income and have upgraded their
thoughts about purchasing to include
more name brands and more fashion
merchandise, so that's what we're try-
ing to carry," Mr. Habeck said. "We
wanted to cater to the original K mart
customer, but when that customer
comes in for an item, we want them to
shop the store."

To that end, K mart now features
national brand names on nearly 25%
of its apparel, including popular draws
such as Gloria Vanderbilt, Sassoon
and Wrangler. The plan is to continue
to add to its stable of popular brand
names in 1984, Mr. Habeck said.

In infants wear, for instance, a large
proportion of the stock carried this
summer will be brand names that fea-
ture licensed characters, a popular
Christmas item. Among its 2,160 tra-
ditional stores, K mart added 40
"Home Care Center" departments in
1983 and intends to introduce the new
design to 125 additional stores in 1984.
A total of 500 "Kitchen Korner" de-
partments were added in 1983 and an-
other 650 are slated for completion in
K mart stores in 1984. And the 715
"Home Electronics Center" depart-
ments completed in 1983 will be
matched by 750 more to be completed
by the end of 1984.

Further, K mart ended the year with
29 Designer Depot off-price specialty
apparel stores in operation in Michi-
gan, Ohio, Pennsylvania, Kentucky,
Delaware, California, Illinois and Indi-
ana. An additional 30 stores are sched-
uled to be opened in 1984, featuring
brand-name apparel at 20% to 70% off
full retail prices found in most depart-
ment stores.

Again pushing off-price, K mart last
year opened Accents, an off-price
home fashions and housewares store

featuring top-name china, crystal and
accessories and a broad assortment of
middle-line housewares. Initial success
at the prototype store in the Detroit
area suggests "modest expansion" of
the concept, K mart officials said.

In a focused effort at upgrading re-
gional K mart stores, the company an-
nounced plans during 1984 to fully re-
model stores in key markets, including
Atlanta, Denver, Chicago, Detroit and
Buffalo.

Although it has encountered legal
snags in the field of financial services,
K mart nonetheless plans to expand its
activities in that area through its
wholly owned subsidiary K mart In-
surance Services. During 1983, 25 such
centers were installed in K mart stores
in Texas and Florida for a total of 27
centers systemwide. K mart intends to
open at least 50 additional insurance
centers in Texas and Florida in 1984.

K mart continued to open new
stores in 1983, but at a slower rate than
in previous years. A total of 71 K
marts were opened in 1983, 63 of them
in the U.S. Twenty-eight K mart stores
were closed because of low profitabili-
ty. K mart also closed 52 Kresge
stores in 1983.

Major personnel changes included
Mr. Habeck's promotion to advertis-
ing director from director of store op-
erations, southern region. He replaced
James Moser, who was since been pro-
moted to the new position of senior
vp, president of sales and general mer-
chandise manager. Larry Parkin, for-
mer senior vp of K mart and vice-
chairman of the apparel unit, was
named chairman-ceo. Mr. Parkin re-
placed retiring Arnold Bachner.

ADVERTISING EXPENDITURES

	1983	1982
Magazines	\$11,038,700	\$8,933,400
Spot tv	10,050,800	8,176,100
Network tv	23,539,300	32,469,800
Spot radio	4,867,000	5,638,200
Network radio	158,900	760,500
Outdoor	284,200	158,900
Total measured	49,700,000	56,136,900
Unmeasured	350,300,000	310,000,000
Estimated total	400,000,000	366,136,900

Marketing Personnel

G.K. Habeck, director-adv
M.R. McClure, director-creative adv
Ronald R. Dejaeghere, vp-mktg
Edward J. Kreitz, director-mktg

Advertising Agency

Ross Roy Inc., Detroit—Jack Frakes,
director-creative adv; Peter Vetowich, exec
vp-retail operations; Hal E. Rumble, senior
vp-mktg; Byron Shaffer, senior vp-group
acct super; Roger Sherman, vp-acct super;
Gerald Moody, senior vp-mktg services;
Alfred A. Duz, vp-group media director;
Patricia Cuda, vp-group media director,
broadcast.

Loews Corp.

	1983	1982
Sales*	\$5,260,075,000	\$4,747,085,000
Earnings*	\$41,242,000	\$15,824,000
U.S. Advertising	135,115,100	103,266,800

*Worldwide

Loews Corp., New York, the na-
tion's 48th largest advertiser, raised its
advertising budget an estimated 30.8%
in 1983, to \$135.1 million, as sales rose
10.8%, to \$5.3 billion, and net income
soared 58.1%, to \$341.2 million.

Sales and net income were at record
levels, resuming a trend that was inter-
rupted in 1982 by the depressed econ-
omy and a competitive marketplace.

In the second quarter of 1984, the
most recent period for which figures
are available, Loews reported net in-
come of \$48.9 million, down 19.1%
from \$60.5 million in the year-ago
quarter. Part of the decline was attrib-
uted to realized investment losses of
\$8.4 million. Revenues rose 5.6%, to
\$1.39 billion from \$1.31 billion. That
brought first-half net income to \$114.8
million, down 16.6% from \$137.7 in
the year-ago period. Revenues in the
first half rose 1.4%, to \$2.668 billion
from \$2.632 billion.

Typifying Loews' results for 1983
was the performance of its Lorillard
division, which brought in record sales
and earnings for an eighth consecutive
year despite the dislocations of today's
tobacco market. Revenues rose 27%,
to \$1.5 billion, while the division's
contribution to corporate operating in-
come rose 10.3%, to \$252.6 million.

Lorillard volume sales increased,

raising its share of the cigaret market
0.5%, to 9.1%. This ran counter to a
drop in industrywide unit sales. In
1983, that drop was 4.5%. Lorillard
climbed into fourth place among the
major cigaret producers, moving
ahead of American Tobacco Co., now
No. 5 behind Philip Morris Inc., R.J.
Reynolds Industries, Brown & Wil-
liamson and Lorillard, in that order.

A continuing success story for Loril-
lard has been Newport, which was the
only one of the top 20 cigaret brands to
show a gain in sales volume last year.
It moved up one notch in the rankings
to 11th, taking 2.8% of the market, up
from 2.4%. Unit sales totaled 16.5
billion, up 10%. Newport would have
made it into the top 10 had Lorillard
not reattached the Kent designation to
Golden Lights, which brought that
brand's sales figures into the Kent
totals. Ad spending for Newport in
magazines and outdoor totaled \$15.1
million, up 1.3%.

Lorillard earlier this year decided to
focus its attention on Newport's men-
thol formulation, and it discontinued
sales of Newport Red, a nonmenthol
version of the brand.

The move to a Kent brand family—
Kent, Kent Golden Lights, Kent III—
has seemed to stabilize sales of the fa-
miliar filter line, which captured a
3.9% market share and took ninth
place among major brands. In trade
ads, Lorillard calls its marketing pro-
gram for Kent "a hard-hitting advertis-
ing and promotion campaign that es-
tablishes the Kent family among the
top advertising in the industry." Ad
spending last year in magazines, news-
paper supplements and outdoor was
\$19.2 million, down 10.3%.

True's market share continued to
decline, as it hit 1.4%, remaining in
16th place among the top 20. To spark
a sales revival for the brand, Lorillard
has broken a campaign touting a
"unique laser filter system [that] deliv-
ers taste you never had in ultra low tar
before." It provides, according to the
campaign, "ultra low tar taste you
don't have to learn to like." Ads pro-
moting this laser-cut filter, themed,
"Taste new True," have appeared in
magazines and outdoor. True ad
spending in 1983 in magazines, news-
paper supplements and outdoor was
\$14.5 million, up 29.5% from 1982.

Satin, Lorillard's 100mm cigaret for
women, introduced in January, 1983,
is estimated to have garnered less than
0.5% of the market, the prevailing
benchmark for success for a new
brand. This was despite what the com-
pany called "the most extensive adver-
tising and promotional program in
Lorillard's history."

Satin has received a face lift in the
form of a new pack with embossed
gold leaf printing, designed to empha-
size the theme, "The Satin woman has
great taste." Lorillard calls itself the
first cigaret producer to utilize the
technology to emboss soft packs. Ad
spending in 1983 for Satin in maga-
zines, newspaper supplements and
outdoor totaled \$22.5 million.

Among Lorillard's smaller brands,
three received no ad support in mea-
sured media, but continue to be avail-
able for sale: Old Gold, Spring and Tri-
umph. A fourth, Max, was the object
of ad spending of \$791,200 in maga-
zines and outdoor, up 31.8%.

In addition to its cigaret brands,
Lorillard markets a line of smokeless
tobaccos under the names Beech-Nut,
Big Red and Havana Blossom. Ad
spending last year in spot tv and out-
door totaled \$1.3 million, down
40.9%.

In other divisions at Loews, Loews
Hotels enjoyed an increase in revenues
of 34.4%, to \$217 million. Its contribu-
tion to corporate operating income
rose a whopping 179%, to \$93.8 mil-
lion. The sale of two hotels in London
gave the division a \$46 million after-
tax gain. Domestic ad spending last
year in magazines, newspaper supple-
ments and outdoor totaled \$334,000.

Various projects in which the hotel
division is involved include a pair of
Arizona resorts, Loews Ventura Can-
yon Resort, in Tucson, due to be com-
pleted in December, and Loews Para-
dise Valley Resort, in Paradise Valley,
Arizona; nearing completion this year;

People performs

"When we run
in People, we get a
double-edged-
sword advantage...
response from the trade
and the consumer."

—Dick Conforti, Vice President of Marketing
Converse Inc.

the opening of Loews La Napoule Hotel on the French Riviera, and Loews Glenpointe Hotel, a managed property in Teaneck, N.J. A \$102 million expansion is under way at the Loews Anatole Hotel in Dallas, which was chosen to host President Reagan and his staff during the Republican National Convention.

Loews Theatres, for the fifth consecutive year, achieved record results, as revenues rose 9.2%, to \$70.1 million, and its contribution to corporate income rose 8.3%, to \$15.7 million. Outdoor ad spending in 1983 was \$56,100.

The division's total number of screens hit 194, with the opening of three complexes—in Arlington, Tex.; suburban Rochester, N.Y., and the borough of Queens in New York—and the addition of theaters to already-existing complexes. That figure will rise by 48 by year-end, with the opening of more complexes in cities including New York, Indianapolis and Houston.

The CNA Financial division achieved what the company considered "favorable earnings and sales results," despite what it called "the continuing pressures on profitability within the insurance industry." Revenues rose 0.2%, to \$3.3 billion, while income contribution rose 28.5%, to \$79.2 million. Domestic ad spending last year in magazines and outdoor was \$3 million.

In 1983, the CNA division launched what Loews noted was "the most extensive advertising campaign in the company's history," themed, "For all the commitments you make," via radio and such print vehicles as *Forbes*, *Newsweek* and *Sports Illustrated*.

General Finance Corp., which handles consumer finance, was sold by Loews last November to Creditrith Financial Corp., a subsidiary of American General Corp. There was an after-tax gain on the sale of \$60.7 million. Loews' outdoor ad spending on General Finance was a mere \$26,400.

Bulova Watch Co. continued to lose money for Loews, albeit at a reduced rate. While revenues rose 0.7%, to \$152.2 million, there was a loss of \$8.4 million, compared with a loss of \$17.4 million the year earlier.

Some of the steps taken to reverse the red ink included a repositioning and redesign of the Bulova line, as well as the lower-price Caravelle line, and the introduction of Dimension, a line of thin wall clocks. The division's advertising account was moved to Sherwood & Schneider, New York, from Doyle Dane Bernbach, New York. Ad spending in 1983, in magazines, newspaper supplements, outdoor, network tv and spot tv, totaled \$2.7 million, down 15.6%.

In other corporate developments, Loews last May sold a block of stock in St. Regis Corp., amounting to 8.5% of St. Regis' total outstanding shares, to Georgia-Pacific, as part of a transaction by which Georgia-Pacific acquired St. Regis' domestic container division. Loews made a profit of almost \$40 million on the deal. And last March, Loews lost the distinction of being the highest priced issue on the New York Stock Exchange, as a 2½-for-1 split brought its common stock down from the \$200-a-share range.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$22,533,300	\$22,645,400
Magazines.....	45,249,900	28,955,400
Spot tv.....	1,777,100	3,692,000
Network tv.....	1,795,100	1,176,200
Spot radio.....	156,000	136,000
Outdoor.....	37,103,700	23,661,900
Total measured.....	108,115,100	80,266,900
Unmeasured.....	77,000,000	23,000,000
Estimated total.....	135,115,100	103,266,900

LORILLARD DIVISION Marketing Personnel

C.H. Judge, chairman
J.R. Ave, president
R.H. Orcutt, senior vp-sales
T.H. Mau, vp-adv and brand mgmt
S.R. Ridgway, vp-pr
J.P. Mastandrea, vp-sales
L. Gordon, vp-trade dev
G.R. Telford, group brand director
M.H. Burke, group brand director
C.W. Toti, director-mktg services
M.K. Capra, director-mktg dev
J.E. Daglian, director-mktg dev
W. Sands, media director
P.A. Lawless, sales promo director

S.T. Jones, mktg rsch director
R.D. Hammer, E.M. Kiernan, A. Pasheluk, senior brand mgrs
C. Garbin, M.A. Kiyatos, C. Ray, brand mgrs
K. Curren, V. Lindsley, C.M. Stumpf, assoc brand mgrs
C.R. Elam, J.A. Guardino, M.A. Kaminski, V.L. Lamb, asst brand mgrs

Advertising Agencies

Footo, Cone & Belding, New York—Kent family (Kent, Kent III, Kent Golden Lights), Max, new prods, corporate trade—Jack Angus, group mgmt director; Paul Ifland, mgmt director; Jill Seligson, acct super.

Dancer Fitzgerald Sample, New York—Triumph, True, Beech-Nut chewing tobaccos, new prods—Tom Bohan, mgmt director; Joe Albanese, Jerry Darringer, mgmt super.

MCA Advertising, New York—Newport, Old Gold, Satin, new prods—Warren Dechter, managing director; Ed Ricci, Ted van de Kamp, acct directors.

Jordan, Case & McGrath, New York—new prods—Pat McGrath, president; Norm Carrier, mgmt super.

Pr Agency

Carl Boyer & Associates, New York—Gene Oliva, acct super; Susan Rakowski, acct exec.

LOEWS HOTELS Marketing Personnel

Robert Hausman, president
William Maibach, exec vp
Ann Bontempo, vp-pr
Philippe Borel, vp-mktg
Marian Succoco, director-mktg services

Advertising Agencies

Nadler & Larimer, New York—Vernon Mosheim, acct exec.

Cavalieri & Kleier, New York—Jan Kleier, acct exec.

Enterprise Advertising Associates, Toronto—Alan C. Middleton, general mgr.
Warren/Kremer Advertising, New York—Christine Marino, acct exec.

LOEWS THEATRES Marketing Personnel

Bernard Myerson, president
Bernard D. Diamond, exec vp
Donald F. Baker, vp-adv
Ted J. Araow, asst vp-adv and promo
Henry I. Goldenberg, adv director

Advertising Agency

Charles Schlaifer & Co., New York—Herb Joseph, vp-adv acct exec.

CNA INSURANCE COS. Marketing Personnel

Edward J. Noha, chairman and ceo
Philip L. Engel, vp-mktg
Thomas W. Snyder, vp-corp communications

Ronald J. Ventrella, asst vp-property/liability distribution
Stephen H. Lewis, vp-life/health/pensions distribution

Advertising Agency

Frank C. Nahser Inc., Chicago—business, trade publications—Ron Nahser, president.

BULOVA WATCH CO. Marketing Personnel

A.H. Tisch, president
Jerry Josephson, vp-mktg
George Forman, vp-adv

Advertising Agency

Sherwood & Schneider, New York—Jim Massey, senior vp.

Mars Inc.

	1983	1982
Sales*.....	\$2,083,000,000	\$1,490,000,000
Earnings*.....	N/A	N/A
U.S. Advertising.....	128,358,500	128,087,600

*Worldwide

Mars Inc.'s red-hot ad program, which expanded 53% in 1982 alone, came to a grinding halt last year as a meltdown in advertising support for its M&M/Mars and Uncle Ben's Foods divisions kept spending about equal to 1982 levels. Led by a substantial increase in advertising for its Kal Kan pet food operations, Mars was able to keep companywide ad spending at \$120.4 million, up 0.3% from last year, making it the nation's 55th largest advertiser.

Mars has administrative headquarters in McLean, Va.

Although ads linked to Mars' status as the "Official Snack Food of the 1984 Olympics Games" may be a catalyst for increased spending in 1984, ad support in 1983 fell dead in its tracks as the company's first and third largest units pulled back on the previous year's ad commitments.

Known as one of the nation's most secretive corporations, privately held Mars does not release sales figures, ad budgets or profit statements. The company, closely watched by the confectionery industry, took home 22% of the

\$6 billion total national candy sales in 1983, according to the *Confectioner*, a trade publication.

Within the candy segments, Mars is the leader in the nation's candy bar market with an estimated 45% share, producing annual sales of \$1.3 billion. In the chocolate candy bar segment, Mars holds 41% of the market, a national share threatened only by Hershey Foods with its 28.5%.

Despite its powerhouse status, M&M/Mars may feel some anxiety this year, as experts say Hershey was able to chip away at Mars' segment of the business in 1983. Observers say that while Hershey's market share increased 2% in 1983, Mars' fell an estimated 2%. Meanwhile, measured expenditures for M&M/Mars fell 4.6%, to \$60.4 million.

Even with a modest decline in market share, it is estimated that Mars controls five of the nation's ten-top selling candy bars, including M&M plain and peanut products and Snickers, estimated to be the country's most popular candy bar.

While measured ad spending for M&Ms and the Snickers bar rose 40% and 7%, respectively, in 1983, budgets for other big sellers such as the Mars and Milky Way bars fell substantially. Despite the decline, candy-related spending still accounted for an estimated 60% of Mars' entire ad budget.

Mars introduced no new candy products in the past year, but one item, its Applause caramel apple bar, was withdrawn from test after a short run in midwestern markets. Company officials gave no reason for pulling the product and said there are no announced plans to relaunch the item.

Measured ad spending for Mars' Uncle Ben's Foods fell to \$9.2 million last year, although the \$500,000 cutback did not threaten the company's place as the No. 2 rice marketer in the nation, behind Colgate-Palmolive's Rivalta rice business. Uncle Ben's officials would not project any increases for this year's spending, but said there has been substantial ad support for the rollout of its first "premium mixed" rice product—Rice Florentine. The new product introduction was handled by Ted Bates Advertising/New York, now agency of record for the entire Uncle Ben's line.

It is believed Uncle Ben's holds about 20% of the over-all dried and prepared rice market, leading all producers in the sale of long-grain and wild rices. Sales increased to an estimated \$161.7 million in 1983 and are expected to increase an estimated 2% to 3% in 1984.

Mars' line of snack products racked up substantial increases in ad support during 1983, up an estimated 211%. Its premier snack offering, Combos cheese-filled pretzels, now offered in four different flavors, is in half the U.S.

Another snack product, known as Corn-Quistos, still is being tested in southern markets. The company's Snack-Master division said the product is available in about 25% of the nation, but it would not comment on any expansion plans for either snack product.

Combos' measured ad support reached \$5.2 million last year, while initial ad spending for Corn-Quistos was slightly more than \$466,000.

Mars continues to beef up ad spending for its Kal Kan pet food line. The segment was the only major Mars offering to boost ad spending in 1983, up \$5.3 million from the previous year's \$24.3 million. With the increased ad support for its Kal Kan products, Mars' pet food division now accounts for a quarter of the company's total ad budget. Advertising this year and last included the promotion of a revamped version of Mealtime dry dog food and the introduction of two new flavors for Kal Kan canned cat food.

In a rare peek into Mars' sales performance, company officials now confirm that an estimated 17% increase in company pet food sales in 1983 pushed Kal Kan ahead of General Foods as the nation's third largest pet food marketer. John C. Maxwell, an analyst for A.G. Becker Paribas, New York, now estimates that Mars has

8.6% of the over-all pet food market with total sales of about \$421.5 million.

In a rundown of Mars' performance in different pet food segments, Mr. Maxwell said Kal Kan products are now vying for the top slot in several different categories.

Kal Kan canned dog food ranks as the No. 2 canned product behind GrandMet USA's Alpo; Kal Kan canned cat food trails only Heinz's 9-Lives in its respective segment; Mars' Mealtime was the sixth largest seller in the dry dog food market and its Crave dry cat food offering was the fifth biggest seller in its market segment.

Measured media spending for all other major Mars Inc. brands include: • Candy: Snickers, \$17.4 million, up 7%; M&Ms (peanut and plain), \$13.3 million, up 40%; Twix, \$6.1 million, down 9%; Mars Bar, \$4.6 million, down 18%; Milky Way, \$4.6 million, down 30%; Starburst, \$4.4 million, up 22%; 3 Musketeers, \$2.2 million, down 67%; Skittles, \$1.3 million, up 18%; Locketts cough drops, \$465,500, unmeasured in 1982; Summit, \$326,000, down 89%.

• Snacks: Combos (in test), \$5.2 million, up 93%; Corn-quistos (in test) \$466,300, unmeasured in 1982.

• Pet foods: Mealtime dry dog food, \$9 million, up 84%; Kal Kan canned dog food, \$7.7 million, up 48%; Crave dry cat food, \$6.6 million, down 30%; Kal Kan canned cat food \$5.4 million, up 13%; MPS Chunks canned dog food, \$853,900, unmeasured in 1982.

• Rice products: Uncle Ben's rice, \$9.2 million, down 5%.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$1,864,300	\$1,355,500
Magazines.....	2,811,500	2,533,200
Spot tv.....	44,332,500	46,506,600
Network tv.....	52,101,500	49,661,300
Spot radio.....	350,500	849,000
Network radio.....	774,300	—
Total measured.....	102,234,500	100,907,600
Unmeasured.....	18,116,000	19,100,000
Estimated total.....	120,350,500	120,007,600

M&M/Mars Division

Hackettstown, N.J.
Howard L. Walker, president
J. Langdon, senior vp-brands and sales

Mars Broker Division

Ove Sorenson, vp
Snack-master
Albany, Ga.

Sam Dewar, president
Thomas Weigman, vp-sales and mktg

Uncle Ben's Inc.

Houston, Tex.
Thomas Armstrong, president
Al Aragona, vp-mktg and sales

Kal Kan Foods Inc.

Vernon, Cal.
John H. Barrow, president
Al Poe, vp-brands

Advertising Agencies

Ted Bates Advertising, New York—pet foods—Jerry Brady, mgmt rep. Kal Kan canned dog food, Kal Kan canned cat food, Mealtime dry dog food; candy and snacks—M&M's chocolate candies (Plain and Peanut), 3 Musketeers bar, Snickers bar, Starburst fruit chews, Royals mint chocolates, Skittles bite size candies, Summit bar; Snack-master's Combos filled snack, Corn-quistos filled snack; Uncle Ben's—Michael Passert, mgmt rep; Diane Ashley, acct super; Rick Bosse, acct super.

D'Arcy MacManus Masius, New York—candy and snacks—Bruce Guidotti, acct group director. Mars bar—Robert Gibralter, acct super; Milky Way bar, multi-brand promotion, new products—Bruce Guidotti, Robert Gibralter; Twix caramel cookiebar—Eric Fisher, acct super. Snack-master—new products—Bruce Guidotti, Eric Fisher.

D'Arcy MacManus Masius, St. Louis—pet foods—Jack Bruemmer, mgmt rep; Crave dry cat food, MPS canned dog food; candy and snacks—Locketts cough drops.

Mattel Inc.

	1983	1982
Sales*.....	\$989,495,000	\$1,341,914,000
Earnings*.....	(394,100,000)	42,390,000
U.S. Advertising.....	179,934,800	217,900,000

*Worldwide, fiscal years 1984 and 1983 ended Jan 30
†Includes discontinued operations.

Mattel Inc., Hawthorne, Cal., which cut ad spending to \$179.9 million in 1983, a 17.5% reduction, was the nation's 36th largest advertiser.

Mattel, built on the success of the Barbie doll, once again is concentrated in the toy business after a sweeping divestiture precipitated by heavy losses in videogames.

The company posted a net loss of \$394.1 million for the 1984 fiscal year ended Jan. 30. Discontinued operations resulted in losses of \$420.7 million during the period. Out of the net loss from discontinued operations, Mattel Electronics was the biggest drain, alone accounting for a negative \$361 million.

The electronics unit, which previously produced fat profits from sales of the Intellivision videogame, was sold in February, 1984, for \$20 million to a group of investors headed by principals of Odd Lot Trading, a New York closeout merchandise retailer that subsequently was acquired by Revco D.S. Inc., the drugstore chain. To raise cash, Mattel also sold its publishing, hobby products and circus theme park operations as well.

Despite the divestitures to raise capital, Mattel's financial state was so precarious that 45% of the company was sold in July, 1984, to a group of investors in exchange for \$231 million. A group led by E.M. Warburg, Pincus & Co., Drexel Bernham Lambert and Riordan & Joseph made the investment.

Mattel's bright spot is toy operations, now Mattel's only business, which is solidly profitable and making gains. Mattel sales in the fiscal year (excluding discontinued operations such as videogames) were up 24%, to \$663.4 million. Operating profit advanced 36%, to \$81.5 million. Domestic market share in toys increased from 7.5% to 12% in the past three years, the company says.

About \$60 million of Mattel's estimated 1983 total ad spending, including unmeasured advertising, supported toys. The balance of its \$179.9 million ad spending was devoted largely to videogames. Ad spending in 1984 is expected to be reduced sharply because only toy products remain under the corporate umbrella.

In measured spending, Mattel spent \$13.8 million on dolls and accessories and \$20.1 million on toys, such as He-Man, Masters of the Universe and Hot Wheels. Mattel spent \$26 million more in unmeasured advertising (direct mail, co-op, promotion, tie-ins, sponsorships, etc.) on toys.

Pacing toy sales is He-Man and Masters of the Universe, the line of plastic action figures developed internally, which in its third year sold 23 million units worldwide. A syndicated animated tv series based on He-Man, co-produced with Group W Productions, is highly successful and has spawned imitators.

Super Heros Secret Wars, another line of male-oriented plastic action figures based on a license from Marvel Comics, was introduced in early calendar 1984.

The Rainbow Brite line of plush dolls, licensed from the Hallmark Cards characters, sold out in February, 1984, to the trade. A heavy newspaper ad campaign, with a coupon offer for a Rainbow Brite poster, kicked off the consumer introduction in late 1984.

Barbie dolls, celebrating their 25th anniversary, sold 23 million units worldwide.

Hot Wheels, the 16-year-old line of die-cast miniature cars, continues to sell well.

Mattel introduced a 169-product gift line aimed at children and adults under the Emotions brand name. Typically Mattel products have not been aimed at adult consumers.

Mattel says it wants to broaden its product lines and, to that end, has quadrupled market research spending in the past four years.

On the other hand, the Monchichi line of monkey-like dolls no longer is being manufactured.

Mattel's executive suite has experienced some turmoil. Mattel Toys president Raymond P. Wagner left abruptly in 1983. He is now a board member and consultant to Hasbro Industries, a Mattel competitor. Glenn A. Hastings succeeded him as Mattel Toy's U.S.A. president in November, 1983. In May, 1984, Mr. Hastings got the title of president-office of the chief executive.

Also departing at this writing is Robert E. Anderson, corporate president-

ceo, who is becoming a consultant, but remains on Mattel's board.

In June, 1984, Mattel merged Mattel's corporate staff and toys organization into a single operating organization.

Ogilvy & Mather, Los Angeles, is the company's principal agency. Ed Libov Associates, the media buying agency, handles assignments on a project basis.

Advertising for toys has been stepped up dramatically outside of the industry's peak Christmas season. Mattel found by advertising at other times it moved more products in those time periods, but expects the major portion of its business will continue to be Christmas, says a spokesperson.

In 1983, Mattel products were used in promotions mounted by Procter & Gamble, Pepsi-Cola, McDonald's and M&M Mars.

Divestiture moves included the following:

- Western Publishing Co., the Racine, Wis.-based publishing arm, was sold in February, 1984, for \$67 million. Mattel took a \$48.3 million writedown on the sale, after buying Western Publishing for about \$120 million in 1979.

- Monogram Models, the hobby products operation, was sold for \$12 million in March, 1984.

- Circus World Inc., the Florida theme park, was sold for \$10 million in May, 1984. Mattel sold the Ringling Bros. and Barnum & Bailey Combined shows (circus and ice show) in March, 1982.

- Mattel Electronics was sold in February, 1984, for \$20 million.

Mattel lays claim to being the largest independent toy company in the world. The pending merger of Hasbro and Milton-Bradley will create an independent toy concern nearly as large. In over-all calendar 1983 sales, Mattel is second to General Mills, whose toy group—consisting of Kenner Products, Parker Bros. and Fundimensions—cumulatively sold about \$100 million more.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$2,031,700	\$5,799,900
Magazines.....	4,783,200	9,238,300
Spot tv.....	18,520,200	19,956,400
Network tv.....	52,074,700	60,984,600
Spot radio.....	417,600	156,100
Network radio.....	131,400	1,486,200
Outdoor.....	223,600	76,600
Total measured.....	78,182,400	97,698,100
Unmeasured.....	101,752,400	120,201,900
Estimated total.....	179,934,800	217,900,000

Marketing Personnel

Glenn A. Hastings, president-ceo
Thomas J. Kalinske, president, Mattel USA
John W. Amerman, president, Mattel Intl
Judith A. Shackelford, senior vp-worldwide category mgmt
Jill E. Barad, vp-worldwide category mgmt
D. Paul Cleveland, vp-worldwide category mgmt
Thomas D. Hatch, vp-worldwide category mgmt
Joseph F. Morrison, vp-mktg services and admin

ADVERTISING AGENCIES

Ogilvy & Mather, Los Angeles—Gerald D. McGee, exec creative director, senior vp, mng director, Jill Himonas, senior vp; Daniel Dixon, Elaine Haller, senior vp-creative directors; Hugh Branigan, vp-creative director; Jim Weir, exec vp producer.

Ed Libov Associates, Los Angeles—Thomas Maney, exec vp-genl mgr; Dan Chepley, corp senior vp (New York).

Mazda Motors of America Inc.

	1983	1982
Sales.....	\$5,846,280,000	\$4,248,050,000
Earnings.....	109,890,000	91,410,000
U.S. Advertising.....	74,500,000	70,531,400

*Worldwide, fiscal years ended Oct. 31

Mazda Motors of America, the fourth largest Japanese auto importer in the U.S., was the 81st largest national advertiser in 1983 with advertising of \$74.5 million, a 5.7% increase over the previous year.

Mazda, which markets both autos and trucks, had its best year ever in the U.S. in 1983 with worldwide earnings of \$109.9 million on total sales of \$5.8 million.

Those financial results translated

into 249,538 unit sales—including 76,150 trucks and 173,388 cars—a 22% increase over 1982 and good enough to boost Mazda's share of the total U.S. market to 2.2%, up from 2.1%, and elevate its 7.5% U.S. market share for import registrations in 1982 to 8.3% in 1983.

Mazda in the U.S. is a combination of Mazda Motors of America Inc. (Central), Rancho Dominguez, Cal., and Mazda Motors of America (East), Jacksonville, Fla. The California unit is a joint venture of Mazda Motors Corp. and Sumitomo Corp. and handles car and truck imports to the Pacific, Northwest, Great Lakes and Gulf regions. The Florida operation is a subsidiary of the C. Itoh Co. and handles imports to an 18-state region.

Formerly known as Toyo Kogyo Co. Ltd., the parent company became Mazda Motor Corp. on May 1, a name change that was aimed at dispelling the confusion caused by differing corporate and product identities. The products manufactured by the Hiroshima, Japan-based company already were well-known as Mazda worldwide.

Worldwide unit sales recorded by the parent Mazda Motor Corp. were 1.3 million units, including 174,220 "knockdown sets" (not assembled), up 11.7% from fiscal 1982.

Mazda would like to broaden its model lineup in the U.S., but import restrictions limit the company to about 180,000 cars. Of those, only 30% are the subcompact GLC price-leader (\$5,059) and 40% are the 626, a European sedan-look-alike (\$8,295 to \$10,895). The rest are the high-performance RX-7s (\$10,395 to \$15,295).

Mazda spent \$44 million on measured media, according to figures monitored by Leading National Advertisers for six media. Its dealer franchises for both cars and trucks spent an additional \$4.8 million.

Network and spot tv and continued use of auto enthusiast magazines and national newsmagazines were the media mainstays behind the introduction of Mazda's 1984 model line. Tv and print ads continued to keep up the price/value theme of previous years, as well as stressing the "outstanding total performance" of the entire Mazda line. Measured ad spending broke down to \$14.6 million in magazines, \$27.2 million in network tv and \$2.3 million in spot tv.

In the fall, Mazda also continued its "weekend" promotion strategy on network tv, with the effort heavily weighted with sports programming, all aimed at reaching the upscale male audience, with annual incomes of more than \$35,000. Mazda maintained its sponsorship of football and basketball events, taking part in the televised games of the NCAA, NBA, NFL and USFL. It also sponsored "Cable Sports World" on Entertainment & Sports Programming Network and for the seventh straight year was a sponsor of "NFL Week in Review" and "NFL Weekly Magazine," two barter-syndicated series from Pro Sports Entertainment.

The "Mazda SportsLook" series of sports journalism programs was shifted to ESPN early in 1984. The Mazda-sponsored show had been on the USA Cable Network. Mazda spent \$664,592 on cable tv in 1983, up 21% from 1982, according to Broadcast Advertisers Reports, with 40% of the total going to its B2000 pickups.

The company also sponsored the \$200,000 Deer Creek Tournament in Florida and the \$200,000 Mazda Japan Classic, the final event in its 34-tournament LPGA series. In men's golf, Mazda was a major automotive sponsor of the Tournament Players Championship in Jacksonville, Fla., and the Tournament of Champions at La Costa, Cal.

Mazda continued its involvement in auto racing, with its RX-7 high-performance rotary engine sports passenger car winning its fourth consecutive GTU championship of the International Motor Sports Assn. With its emphasis on the racing program, the company is trying to erase the negative image of the rotary engine as a gas-guzzling power plant that breaks down.

This seems to be working. In 1983, the Mazda RX-7 was the top selling two-seat sports car in the U.S., selling 51,955 units, up from 48,567 units the previous year. Measured ad spending on the RX-7 was \$6.2 million—\$3.7 million in network and \$183,400 in spot tv, and \$2.3 million in magazines.

But unit sales of the RX-7 were behind sales of the popular 626, the company's best selling car with 67,679 units sold in 1983. The 626 was supported with \$14.7 million, Mazda's largest advertising outlay. The company spent \$8.3 million in network tv, \$410,100 in spot tv and \$6 million in magazines.

Sales of the GLC economy cars also totaled about 50,000 units. The lowest priced GLC was the four-speed, three-door hatchback, which listed for \$5,095. Measured media spending was \$9.1 million, again heavily concentrated in network tv (\$5.3 million) and magazines (\$3.5 million).

Going into the 1984 model year, Mazda continued its "Experience Mazda" theme, with print ads featuring full-body shots of the GLC, RX-7 and 626 cars. The "experience" theme also predominated in network spots that showed the cars on a track, stressing over-all performance and features.

More than one-third of the total annual budget went to promote the 1984 B2000 and SE-5 pickup trucks, which included \$11.5 million in measured media, 78% (\$9.1 million) in network tv. For the third year, "Sakes alive! Only Mazda has a truck for \$5,995" was the theme. The SE-5 version of the B2000 is a sporty model that was priced to compete with other imports and U.S. pickups. It helped to lead Mazda to a record 75,751 units in truck sales in 1983, an 86.3% increase over the previous year. In 1981, the company sold just 16,798 trucks, but with its new orientation in the truck market, it projects sales of 100,000 units this year.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$1,970,600	\$1,991,400
Magazines.....	14,550,500	12,360,700
Spot tv.....	2,373,700	16,737,500
Network tv.....	27,159,700	26,709,700
Spot radio.....	—	45,700
Outdoor.....	—	86,400
Total measured.....	45,951,500	57,931,400
Unmeasured.....	28,548,500	12,600,000
Estimated total.....	74,500,000	70,531,400

Marketing Personnel

Mazda Motors of America (Central)
T. Ogawa, president
R. Hayden, senior vp-general mgr
D. Bowen, vp-mktg
R. Parker, sales mgr
B. Wolf, public affairs mgr
Mazda Motors of America (East)
S. Kano, president
E. Sundstrom, senior vp-genl mgr
J. Trado, vp-sales and mktg
G. McCabe, genl sales mgr

Advertising Agency

Footo, Cone & Belding/Honig, Los Angeles—W. Mansfield, senior vp-group mgmt director; J. Arnold, vp-mgt director; B. Fogel, natl adv acct director, cars; S. Morrissey, natl adv acct director, trucks.

MCA Inc.

	1983	1982
Sales.....	\$1,584,539,000	\$1,586,022,000
Earnings.....	147,160,000	176,198,000
U.S. Advertising.....	74,543,600	80,100,000

*Worldwide

MCA Inc., Universal City, Cal., parent of Universal Studios, was the nation's 80th largest advertiser with advertising of \$74.5 million, off 7% from the previous year.

The ad downturn parallels that of earnings, which slipped 16.5% to \$147.2 after the Universal film studio arm lost the "E.T., the Extra-Terrestrial" magic that sent 1982 sales and profits soaring.

Sales of \$1.6 billion in 1983 were flat, a credit to the extraordinary infusion of revenues into the company in 1982 from the summer release of the movie, "E.T.," which grossed \$360 million domestically and \$250 million abroad as it surpassed "Star Wars" as the all-time movie box office champ.

MCA, whose measured media spending dropped 3.4% to \$40.8 million in 1983, spent most of its media

budget through Universal Pictures, its movie unit that is one of Hollywood's major film studios, to support new releases. Measured spending on movies was \$31.2 million, up 5% from 1982.

Movies receiving more than \$1 million in measured spending included "Scarface" \$4.6 million, "DC Cab" \$2.8 million, "Jaws 3-D" \$2.7 million, and "Psycho II" \$2.5 million.

"Bad Boys," received \$1.3 million, "Doctor Detroit" \$1.7 million, "Metalstorm" \$1.3 million, "Private School for Girls" \$1.6 million, "Sophie's Choice" \$1.8 million, "Stroker Ace" \$1.9 million, and "The Sting II" \$1.8 million.

In November, 1983, Frank Price, the then Columbia Pictures' president who once headed Universal's tv production arm, rejoined MCA. He was named president of MCA Inc.'s motion picture group, a new unit, replacing Robert Rehme, theatrical motion picture group president, who left.

Mr. Price, whose reign at Columbia was marked by a string of comedy blockbusters such as "Tootsie" and "Stir Crazy," installed a new executive team, largely recruited from the studio he left, that dislodged Mr. Rehme's executive corps. Mr. Price is expected to beef up Universal's offerings of youth-oriented comedies, a genre the studio has not successfully tapped in the past.

Marvin Antonowsky, Columbia's top marketing executive, became president of Universal Pictures marketing division, succeeding Charles O. Glenn, executive vp-advertising, publicity and promotion, who moved to Orion Pictures.

Mr. Antonowsky, whose background includes top research and program posts at ABC and NBC tv networks, is recognized as a proponent of using large network tv ad campaigns to support films opening in wide release. Not surprisingly, "Scarface" and "DC Cab," the two films with the most measured spending in 1983, were among the first films released after his arrival in November, 1983.

Universal Television the studio's tv production arm, regained its status as the leading supplier of tv series to the three commercial tv networks, after slipping a few notches in recent years. Universal placed five of its 13 series pilots on the commercial networks' 1984-85 season premiere schedule, the best of any producer.

Tv operating profits are expected to be up sharply in the years ahead because of syndication sales of Universal Television's series, handled by the company's distribution arm, MCA TV.

"Magnum, P.I." will generate more than \$200 million in sales to domestic tv stations by the time it becomes available for syndication telecast in fall, 1986, the studio said. MCA TV will begin sales of "Simon & Simon" in late 1984 and "Knight Rider" in 1985.

On top of that, MCA TV is collecting distribution fees for syndicating series made by other producers. "Gimme a Break" from Alan Landsburg Productions is selling briskly in 1984 and "A-Team" from Cannell Productions will go on the block in syndication during 1985.

Syndication sales are lucrative because network license fees have covered much of a series' expenses in advance, allowing much of the syndication revenue to flow directly to the bottom line.

MCA TV sold an original series for syndication to start in fall, 1984, "Puttin' on the Hits," a weekly half hour in which participants lip-synch hit songs. "Hits" is supported by national advertising.

MCA Home Video, which primarily distributes videocassette versions of Universal Pictures releases, is trying to carve out a niche as a marketer of original programs for home video. To that end, it has released first-run programs in children's, fitness and adult areas.

The home video market was waiting with bated breath in 1984 for the release of "Love Skills," an instructional videocassette that reportedly includes full nudity and simulated intercourse. MCA Home Video wanted to stress the informational value of the hour-long video, and was peeved that

publicity before the videocassette's release made it out to be a sexual exploitation venture.

MCA was co-plaintiff with Walt Disney Productions, in pressing the so-called "Betamax suit" seeking to be compensated by videocassette marketers for off-air taping by the public of copyrighted tv programs. In January, 1984, the U.S. Supreme Court in a 5-to-4 decision ruled that the recording of tv programs for private use does not violate federal copyright law. MCA and other Hollywood interests have been unable to get Congress to pass special legislation on their behalf.

MCA is a partner with Paramount Pictures, the Gulf & Western unit, and Home Box Office, the Time Inc. unit, in USA Network, the ad-supported basic cable tv program service. The partners did not bail out of USA Network, despite rumors that they might do so. "USA is very healthy," said Kay Koplovitz, president. Estimated ad sales of the network in 1983 were \$31.6 million, up from \$21.8 million in 1982, according to Broadcast Advertiser's Report.

To bolster USA Network's programming, MCA and the other partners are letting it cablecast some of their best tv programs before the same programs are available to the general syndication market.

MCA's Spencer Gifts, Atlantic City, drew measured media support of \$7.3 million, the same as in 1982. Spencer is a retail and mail-order company with 435 retail stores.

MCA also operates music labels and book publishing units.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$7,223,400	\$4,593,500
Magazines.....	2,563,000	1,426,900
Spot tv.....	13,034,600	8,950,300
Network tv.....	16,067,700	20,467,000
Spot radio.....	1,368,000	6,400,000
Network radio.....	253,600	83,200
Outdoor.....	351,300	292,400
Total measured.....	40,793,633	42,213,300
Unmeasured.....	33,750,000	37,886,700
Estimated total.....	74,543,600	80,100,000

MCA INC.

Low R. Wasserman, chairman-ceo
Sidney Jay Sheinberg, president-coo
UNIVERSAL PICTURES
Marketing Personnel

Frank Price, vp-MCA, president Universal Pictures
Marvin Antonowsky, president-Universal Pictures, mktg div
Edward Roginski, senior vp-Universal Pictures, mgr mktg
Michel Reese, vp-publicity and promo, West Coast and natl field operations
William Soady, president Universal Pictures, distribution div
John Butkovich, vp-media and coop adv
Roger Seltzer, vp-mktg rch
Roger Edwards, director, mktg rch
Don Barrett, natl director, promo and field activities
Frank Wright, director, natl publicity
Hy Levine, media mgr

Advertising Agency

Doyle Dane Bernbach/West—Simon Kornblit, exec vp-director acct services; Jim Spero, senior vp-media director, Lisa Pompan, media super; Ann-Marie Whitman, acct exec; Steve Thompson, asst acct exec.

MCA HOME VIDEO

Marketing Personnel

Gene Giaquinto, president
Jerry Hartman, vp-mktg
Advertising Agency
Cavallieri & Kleier Advertising, New York—Ian Kleier, vice-chairman, mgmt super; John Cavallieri, chairman-creative director; Paul F. Purcell, acct sup; Mark Seigfried, acct exec; Michael Katz, media director.

MCA RECREATION SERVICES

Marketing Personnel

J.S. Stein, vp-MCA Inc., president-MCA Recreation Services
Gordon Armstrong, exec vp-mktg
Herb Steinberg, vp-corp relations

Advertising Agency

FCB/Entertainment, Los Angeles—Universal Studio Tour, Universal Amphitheatre, Womphoppers Wagon Works Restaurant, Yosemite Park and Curry Co., MCA Concerts—Steve Hayman, senior vp-director entertainment div; Bill Bartley, creative director; Denise Hitchcock, senior acct exec; Catherine Adams, acct director; Cathy Fleig, media super.

SPENCER GIFTS

Atlantic City, N.J.

Marketing Personnel

J. Eugene Brog, president
John L. Doyle, exec vp-director operations
Charles H. Ross, exec vp-genl mgr-retail div
George R. Zilling, vp-mktg, planning, rch, devel

Mail-Order Operations

S. Gary Stern, vp-merch

Dotti J. Watts, intl mktg admin
Advertising Agency
Fairfax Inc., New York—James Fishel,
acct exec; Peter Joyce, media director.
MCA RECORDS
Marketing Personnel
Irving Azoff, president
Sam Passamano Jr., vp-promo mktg
Larry Solters, vp-artist devel
Advertising Agency
Lankershim Advertising (inhouse).
MCA DISTRIBUTING
John Burns, senior vp

McDonald's Corp.

	1983	1982
Sales*	\$8,687,000,000	\$7,809,000,000
Earnings*	342,648,000	306,644,000
U.S. Advertising	311,378,000	265,541,400

*Worldwide

McDonald's Corp., Oak Brook, Ill., was the nation's 16th largest advertiser in 1983 with estimated domestic advertising/promotion spending of \$311.4 million, a 17.3% increase over 1982.

According to company figures, the McDonald's system (including all franchisee and international expenditures) last year spent \$423 million on advertising, a 15% increase over 1982 and nearly double the \$215 million spent in 1978.

Systemwide sales for McDonald's were \$8.687 billion in 1983, up 11.2%. The 1,949 company-operated restaurants accounted for \$2.297 billion, or 26.4% of total sales. Remaining sales came from the 5,829 stores operated by franchisees and affiliates (the latter are largely overseas joint ventures). The 7,778 stores open systemwide at yearend represented a 7% increase (519 stores) over 1982.

McDonald's growth strategy calls for the opening of 500 new stores each year, and it has exceeded that goal in each of the past several years. All fast-food restaurant chains have experienced increasing difficulty in finding desirable sites as the number of chains grows, real estate prices escalate and markets become saturated. As the largest chain—and one of the first—McDonald's problems in this area are even greater than those of its competitors.

One solution has been to increase the chain's growth outside the U.S. Last year, McDonald's opened 186 foreign stores, 36% of the 519 opened systemwide. This compares with 156 opened in 1982, which represented 30% of those opened systemwide. The chain last year opened its first store in Norway, bringing to 31 the number of countries where McDonald's is represented. Thailand and Taiwan already have been added this year.

A second response to McDonald's dearth of sites has been to accelerate its program of opening restaurants in nontraditional locations. Stores have been opened in hospitals, on college campuses and military bases, and in airport and train terminals.

Additionally, the chain has experimented with the "McSnack" concept, which allows a limited-menu store to be placed in small locations. The first McSnack opened last year in Minneapolis. The second opened in 1984 in La Jolla, Cal.

While the number of stores and total system sales have shown uninterrupted growth, McDonald's average per-store sales have risen more slowly than those of its major, but smaller, competitors—Burger King and Wendy's. Average sales at McDonald's stores open for at least one year were \$1.17 million in 1983. This was an increase of only 3.3%, below the 6.2% sales increase for the fast-food industry last year estimated by the National Restaurant Assn. It was, however, nearly double the 1.7% per-store sales increase McDonald's reported for 1982.

One of the industry's favored means of increasing per-store sales is the introduction of new menu items. After several recession-racked, slow-growth years during which few major new products were added in the fast-food industry, expansion accelerated last year. McDonald's traditionally has re-

sisted menu expansion, a function of the size of its system and, analysts say, its management's conservative approach. But McDonald's tried a few new items last year, with mixed results.

Following the success other chains have had with croissants (notably Vie de France and Burger King), McDonald's tested the McCrescent sandwich in Rockford, Ill. It didn't wow Rockford residents, and the test was discontinued.

Hotcakes and scrambled eggs served with an English muffin were added to McDonald's breakfast menu in May, 1983. Two other breakfast products, Sausage McMuffins and Sausage McMuffins with egg, have been expanded to additional markets in 1984. Several Florida stores have tested Maple McCrisps—deep-fried french toast morsels with maple syrup centers. These reportedly have been well-received and will be expanded to more markets this year.

Breakfast has become a major daypart for McDonald's, accounting for about one-fifth of total sales. As such, breakfast and the various new products received network and local tv advertising support throughout the year.

Two other menu items—the McChicken and McRib sandwiches—failed their tests and were withdrawn. McDonald's has said it may reformulate and reintroduce the chicken sandwich.

McDonald's has an undisputed winner in Chicken McNuggets. Last summer, the chain added nine and 20 piece extensions of the original six-piece item and backed the McNugget line in the summer with a major network advertising campaign themed "McNugget mania." The products received tv support again between Thanksgiving and Christmas.

Between the two McNugget campaigns, McDonald's ran its "Leader of the pack" campaign. With 1950s music the advertising for the Big Mac was targeted to teen agers, the primary consumers of the double-decker sandwich.

Almost all of McDonald's advertising in 1983 carried the umbrella theme line, "Together, McDonald's & you," which was introduced in January of last year.

One campaign that did not use the theme was a short-lived set of tv spots featuring actor John Houseman as spokesman that aired in August. The two spots were intended to emphasize McDonald's food quality and value in response to Burger King's comparative advertising assaults.

But those issues were overshadowed by the attention paid to the presence of Mr. Houseman. Critics suggested the gruff Mr. Houseman, best known as a commercial spokesman for the Smith Barney brokerage company, was out of place in a fast-food restaurant. The ads were dropped, and McDonald's chairman Fred Turner later was quoted as calling the spots "overkill."

"Together, McDonald's & you" was replaced in June, 1984, as the chain's umbrella theme with "It's a good time for the great taste of McDonald's." Behind the theme, ad agency Leo Burnett USA put zippier music and faster editing to appeal to the rock-video crowd. But the new look still does not stray far from the "food, folks and fun" advertising message to which McDonald's has clung for a decade. Even though Wendy's joined Burger King in airing comparative advertising that takes potshots at McDonald's, the No. 1 chain has declined to employ the tactic.

McDonald's advertising has received scrutiny since it surprised the advertising industry by firing Needham, Harper & Steers, Chicago, in October, 1981. The account moved to Burnett, whose work for McDonald's has been compared and contrasted with NH&S creative efforts.

For that reason, it was national news in January, 1984, when NH&S launched what McDonald's execs called a "test campaign" for the McDonald's co-ops in Washington and Baltimore. Themed "I've got a taste for McDonald's," the stylish campaign was visually different from

Burnett's national creative. Replacing the traditional in-store shots of happy customers were soft-focus, near-abstract vignettes in which only McDonald's familiar Golden Arches were seen—usually in the distance.

The local "test campaign" was discontinued when national pre-Olympics advertising began, but speculation continued that McDonald's national account might return to NH&S.

McDonald's reportedly put \$35 million into network advertising during the Summer Olympics, a commitment made possible by a change in over-all advertising funding. In the fall of 1983, McDonald's operators voted to increase from 1.25% of sales to 2% their contribution to the Operators' National Advertising Fund, which funds network tv advertising.

McDonald's spent \$81 million on network advertising in 1983, but with the new funding structure, sources estimated that figure might be closer to \$125 million in 1984.

By the summer of 1984, it appeared McDonald's real response to its competitors' advertising assaults would be one of size rather than substance. Network execs put McDonald's upfront network buy for the 1984 fall season at upward of \$80 million. Whatever its competitors thought of the quality of McDonald's advertising, they had to prepare for the fact that Big Mac's messages will be everywhere.

McDonald's Corp.'s founder, Ray Kroc, died in January, 1984, at age 81. Asked to explain the chain's success, Mr. Kroc once said, "We take the hamburger business more seriously than anyone else."

McDonald's vp-marketing William Youngclaus left the chain in 1983 to join Tatham-Laird & Kudner, Chicago. That title has remained vacant.

Assistant vp-advertising Roy Bergold briefly left McDonald's to join Burnett, but returned to McDonald's as vp-advertising when Mr. Youngclaus departed.

ADVERTISING EXPENDITURES

	1983	1982
Magazines	\$240,000	\$278,100
Spot tv	105,024,000	94,156,000
Network tv	88,936,000	59,575,000
Spot radio	2,077,300	2,138,000
Network radio	700,000	1,717,500
Outdoor	4,295,000	4,142,000
Total measured	193,357,400	162,987,500
Unmeasured	118,020,600	102,633,500
Estimated total	311,378,000	265,541,400

Marketing Personnel

Paul D. Schrage, exec vp-chief mktg officer
Roy T. Bergold Jr., vp-adv
Richard G. Starrmann, vp-communications
Tom Gruber, vp-intl mktg/new country devel

Ron Messler, vp-director, creative services
David B. Green, asst vp-director, natl mktg
Emil Teri, asst vp-mktg and media services
Chuck Rubner, director-corp communications

Dean Barrett, director-field mktg
Laurie Grace, director-media
Sandy Silver, director-natl mktg
David Dandurand, director-sports mktg
Court Kenaston, director-youth mktg
Kathy Henry, director-intl mktg/new country devel

Robert Lins, creative director
Jim Rand, director-mktg services
Don Lorr, director-mktg rich

Advertising Agencies

Leo Burnett USA, Chicago—John Miller, senior vp-client service director; Mike Allen, vp-act director; Bill Wohlfel, vp-act director; Linda Wolf, vp-act super, youth; Neil Lichtman, vp-act super, adults; Pam Fifer, act super, new products; Ron Smillie, Gil Mickels and Dan Cummings, vp-act supers, field mktg; Tom Roth, act super, field mktg.

Burrell Advertising, Chicago—Black consumer mktg.

Conill Advertising, New York—Hispanic consumer mktg.

Golin/Harris Communications—pr.
Frankel & Co., Chicago—Sales promo.
Simon Marketing, Los Angeles—Sales promo consultant.

Miles Laboratories Inc.

	1983	1982
Sales*	\$1,115,000,000	\$1,075,000,000
Earnings*	35,500,000	(841,000)
U.S. Advertising	89,063,000	73,300,000

*Worldwide

Miles Laboratories, Elkhart, Ind., a

subsidiary of Bayer AG of Leverkusen, West Germany, was the 72nd largest national advertiser in 1983, spending an estimated \$89 million, an increase of 21.6% from 1982.

Sales increased 4%, to \$1.115 billion, in 1983 from 1982. U.S. sales contribution in 1983 was \$784 million, up from \$747.2 million in 1982.

Both net income and income from continuing operations increased to \$35.5 million in 1983, up from a net loss of \$841,000 and \$29.2 million in income from continuing operations in 1982. The net loss the year earlier was due in part to discontinued operations. The past year was the first full calendar year to include the operations of Cutter Laboratories, which were merged into Miles in January, 1983.

The company operates five groups that manufacture its products: Cutter Laboratories, Miles Professional Products, Miles Biotechnology Group, Miles Pharmaceuticals and Miles Consumer Products.

The consumer products group is made up of consumer healthcare and household products divisions.

The healthcare division's markets children's and adults' vitamins under the brand names One-A-Day, Flintstones and Bugs Bunny. Alka-Seltzer, Alka-Seltzer Plus Cold Medicine, Bactine and Miles Nervine are the division's self-medication products. The household products division includes S.O.S. cleaning products and Cutter insect repellents.

Last year, Alka-Seltzer advertising was moved to McCann-Erickson of New York from Wells, Rich, Greene, which had handled the account since the early 1970s. During the years WRG had the \$15 million-a-year account, the agency created campaign slogans and themes that have become popular with the American public such as: "I can't believe I ate the whole thing," "Try it, you'll like it," and "Plop, plop, fizz, fizz, oh what a relief it is."

McCann-Erickson, however, has changed the image of the product from the traditional remedy for overindulgence and hangover to one of a remedy for handling upset stomach and headache cause by today's stress-oriented lifestyle. A new campaign has emerged billing the product as the aid for, "the symptoms of stress that come with success." Measured spending for Alka-Seltzer in 1983 was \$12.8 million, down slightly from \$13.1 million in 1982.

WRG, however, was retained as the ad agency for Alka-Seltzer Plus Cold Medicine, a product receiving \$8.1 million in measured media, compared with \$5.7 million the year earlier.

Alka-Seltzer is being studied for its potential as a preventative for heart attacks, but approval from the Food & Drug Administration has not been received for professional labeling. If approval is granted this year as hoped, Miles is expected to make an immediate advertising/marketing push to tout the use to the medical profession, the spokesperson said.

In Miles' vitamin products, One-A-Day Multiple vitamin advertising was shifted last year to Tatham-Laird & Kudner in Chicago, giving TLK responsibility for all vitamin advertising. Measured spending for One-A-Day products was \$10.1 million, compared with \$10.8 million in 1982.

The account was moved from J. Walter Thompson USA, which had held it since 1967. TLK has been handling Miles' children's vitamins, including Flintstone Children's vitamins and Bugs Bunny Extra C, since 1969. In 1983, measured spending for Bugs Bunny was \$1.2 million and for the Flintstones chewables was \$7.5 million, compared with no measured spending for Bugs Bunny in 1982 and \$6.8 million for Flintstones.

New introductions in 1983 included Bugs Bunny chewables in Canada and the vitamin Vitene, introduced in Central America.

In the fall of 1983, Miles Household Products introduced S.O.S. oven cleaning pads, the first new product in the oven-cleaning category to be introduced in the past 10 years, the company says. Doyle Dane Bernbach, New

York, handler of the regular S.O.S. account, prepared the campaign. Measured media for the product during its limited exposure in 1983 was \$2.5 million.

Among other S.O.S. products, the soap pads registered a measured media increase of 8%, to \$4.2 million.

In the professional products group, several new Ames products were introduced in 1983, most notably Visidex II Reagent Strips for the visual monitoring of blood glucose. The product hit the market last October.

In biotechnology products, Miles' enzyme business enlarged its share of the corn wet milling market. In March, 1983, it introduced an improved Taka-Sweet Glucose Isomerase, which is used widely in the production of high-fructose corn syrup. At the end of last year, Marshall Products, a Miles biotechnology unit, introduced new freeze-dried cheese cultures under the Star-Lite brand name.

At Cutter products, worldwide sales increased, especially in Japan, where the company has beefed up its sales force to support anticipated growth. Measured media spending remains small. During the year, Cutter insect repellent received \$91,400 in measured spending, compared with \$681,500 in 1982. Cutter Biomedical introduced Maxcast orthopedic casting tape into the market during 1983.

Miles Pharmaceuticals reported continued strides in the prescription drug market with the introduction of Mycelex Troche, an oral thrush treatment. The division also completed consolidation of Hollister-Stier, Spokane, Wash., manufacturer of allergen extracts, into its operations.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers	\$94,800	\$86,200
Magazines	2,878,300	4,325,500
Farm publications	3,768,900	—
Spot tv	5,504,600	4,629,100
Network tv	39,063,200	35,219,700
Spot radio	63,800	—
Network radio	2,660,300	—
Outdoor	17,900	8,300
Total measured	53,986,000	44,168,800
Unmeasured	35,077,800	29,031,200
Estimated total	89,063,800	73,200,000

CONSUMER PRODUCTS GROUP

Marketing Personnel
G.E. Davy, corporate exec vp
CONSUMER HEALTHCARE DIVISION

Marketing Personnel
F.E. Gustafson, president
S.M. Reim, vp-mktg, medicinal prods
W.T. Gildea, vp-mktg, new prods

M.B. Strecker, director-media services
J.W. Howell, natl sales mgr
M.F. Neidorff, director-intl mktg

Advertising Agencies
Wells, Rich, Greene, New York—Alka-Seltzer Plus Cold Medicine—Kenneth Olshan, chairman, WRG Worldwide; Anne Mahoney, acct super; Nancy Troiano, asst acct exec.

McCann-Erickson, New York—Alka-Seltzer—Michael Sennott, senior vp-mgmt rep.

Tatham-Laird & Kudner, Chicago—One-A-Day vitamins, Bactine, Bugs Bunny, Flintstones vitamins—Timothy Collins, senior partner.

Clifford A. Botway Inc., New York—Network tv and radio buying—Clifford A. Botway, chairman; Edward Kobza, president.

Boger, Martin, Fairchild & Co., Elkhart, Ind.—overseas military and trade advertising.

Siebert & McIntyre, Chicago—medical/professional advertising—Lee Heiman, group acct super.

Kallir, Phillips, Ross, New York—medical/professional advertising—Bill Cronin, acct super; Lola Fiur, asst acct exec.

Conill Advertising Associates, New York—Hispanic advertising—Fernando Garcia, acct super; Elias Gonzales, acct exec.

HOUSEHOLD PRODUCTS DIV

Marketing Personnel
J.W. Grant, president
H.G. Fitts, vp-mktg
R.R. Rowe, natl sales mgr

Advertising Agencies
Doyle Dane Bernbach, New York—S.O.S. and S.O.E. soap pads, S.O.S. oven cleaning pad—Rein Luik, exec vp; Lucille Cotugno, vp-mgmt super; J. Barickman, acct super.

Tatham, Laird & Kudner, Chicago—Cutter insect repellent—Kirk R. Borland, senior partner; Thomas Keith, acct super.

BIOTECHNOLOGY GROUP

BIOTECH PRODUCTS

Marketing Personnel
R.J. McGrath, president
H.C. Stalter, vp-mktg
E.L. Frey, director-intl

J.C. Bakos, director-intl mktg (citric/citrates)
N.D. Hupp, director-intl mktg (enzymes)

F.V. Coglianese, director-sales (citric/citrates)
 W.G. Allen, director-sales and tech service (enzymes)
 R.G. Clark, mgr-mktg services (nonfood)
 D.O. Maylath, mgr-mktg services (food & beverage)
 W.E. Irwin, director-applications rsh and tech service (citric/citrates)
 A.C. Lauria, mgr-customer services, sales training & adv admin

MARSHALL PRODUCTS Marketing Personnel

V.G. Christensen, president
 K.J. Woldt, sales mgr
 R.A. West, director-mktg
 D.G. Whitehead, mgr-tech service
 R.L. Farrow, mgr-European mktg
 N. Wood, mgr-new prod mktg

Advertising Agencies

Stephen & Brady, Madison, Wis.—Hugh Brady, president; Greg Brady, vp-acct super; Pamela Black, acct super; Matt Joyce, acct exec.

Ash Advertising, Elkhart, Ind.—Citric/industrial—J.B. Ash, president.

Juhl Advertising Agency, Elkhart, Ind.—citric/food ingredients—Bruce Cashbaugh, acct exec.

PROFESSIONAL PRODUCTS GROUP

Marketing Personnel

J.H. Rosloff, corp exec vp
AMES DIVISION
 Marketing Personnel
 W. Wenninger, president
 J.W. Duncan, exec vp-mktg and business unit mgmt
 T.C. Christensen, director-business unit chemistry systems
 H.L. Drye, director-business unit diabetes systems
 A. DeBruin, director-business unit urine systems
 R.H.J. Wakeling, director-intl mktg
 J.P. Doyle, director-business services
 J.J. Lavery, director-sales, U.S.
 M.M. Walters, mgr-diabetes adv

Advertising Agencies

Deltakos USA, div J. Walter Thompson, New York—new diabetic prods—Wesley R. Hosteller, vp-acct super.

Abelson-Taylor, Chicago—clinical/hospital prods—Dale Talor, exec vp; Ed Kozel, acct exec.

Goble & Associates, Chicago—dealer promos, media—Ed Goble, president; Jackie Fitzgerald, acct exec.

Gross/Townsend/Frank, New York—physician/pharmacy prods—Alan Gross, president.

MILES SCIENTIFIC

Marketing Personnel

J.H. Rosloff, president
 A.C. Marotti, vp-sales
 J.L. Ogle, director-sales
 F.L. Jaksch, director-mktg
 J.V. Thomas, director-industrial sales
 J.F. Cumiskey, mgr-tech services
 K.M. Koziol, mgr-customer services
 J.T. West, mgr-mktg communications

Advertising Agencies

Noble Arnold Associates, Chicago—Noble Arnold, president.
 Image Design, Gurnee, Ill.—Ray Mohr, president.

CUTTER GROUP

Marketing Personnel

W.F. Schaeffer, corp exec vp
BAYVET
 Marketing Personnel
 J.C. DeCesare, genl mgr
 F. Koering, vp-mktg
 J.C. Clark, director-sales
 L.S. Beatty, adv mgr

Advertising Agencies

Miller-Meester Advertising, Minneapolis—reproductive hormones—Rick Cooper, acct exec.

Richardson, Myers & Donofrio, Baltimore—small animal products—Cy Haldaday, acct exec.

CUTTER BIOLOGICAL

Marketing Personnel

J.D. Ryan, vp-genl mgr
 C.F. Patrick, mktg mgr
 W.G. Johnson, director-sales

Advertising Agencies

Rolf Werner Rosenthal Inc., New York—intravenous immune globulin preparation, immune serum globulin prods—Pez/i Wine-stock, acct group super; Virginia Otis, acct exec.

Gross/Townsend/Frank, New York—coagulation therapeutic and blood mgmt prod lines—Jane Townsend, mgmt super; Edith Pargh, acct super.

CUTTER MEDICAL

Marketing Personnel

V. Scholson, vp-genl mgr
 J. Rutledge, natl sales mgr
 B. McMahon, mktg services mgr

Advertising Agencies

Pro-Clinica, New York—clinical nutritional prods—Mel Snyder, acct exec.
 Rainaldi-Bowles, San Francisco—I.V. equipment—Jay Kerzner, acct exec.

CUTTER BIOMEDICAL

Marketing Personnel

T.J. Leverte, group vp-genl mgr
 L.J. Barnette, director-mktg
 J.G. King, natl sales mgr

Advertising Agency

Micom Associates, San Francisco—Gar-

rett Lawrence, acct exec.

CUTTER DENTAL

Marketing Personnel

T.J. Leverte, genl mgr
 W.T. Anderson, director-mktg
 A.N. Package prod mgr

Advertising Agency

Robinson-Clark, San Francisco—advertising, scheduling and devel, pkg—Carol Robinson, ceo; Richard Clark, president.

MILES PHARMACEUTICALS GROUP

Marketing Personnel

Horst Wallrabe, corp exec vp
PHARMACEUTICALS DIVISION
 Marketing Personnel

M. Coffee, vp-mktg and sales
 C.B. Webb, director-prod mgmt
 W.J. Isbell, mgr-mkt communications
 R. Yvars, mktg services mgr

Advertising Agencies

Medicus-Intercon, New York—John Ibello, acct super.
 Carrafiello & Diehl Associates, Tarrytown, New York—dermatological line—C. Patrick Mandarano, acct super.

HOLLISTER-STIER DIVISION

Marketing Personnel

R. Galustian, head, allergy bus unit
 C.B. Cornell, director-mktg and sales
 E.T. Hamilton, natl sales mgr

Advertising Agencies
 Ad Clinic, Spokane, Wash.—Chuck Anderson, Doug Hurd, principals.

Mobil Corp.

	1983	1982
Sales*	\$38,998,000,000	\$44,100,000,000
Earnings*	1,583,000,000	1,213,000,000
U.S. Advertising	294,932,500	320,000,000

*Worldwide

Mobil Corp., New York, the 18th largest national advertiser, decreased its ad spending 7.8% in 1983, to \$294.9 million, as the nation's second largest oil company and fifth largest domestic gasoline retailer suffered a substantial decline in revenues.

Worldwide sales at Mobil decreased 8% in 1983, to \$38.99 billion, in 1983, largely because of a decrease in petroleum demand. However, earnings increased 24%, the result of restating earnings in 1982 to a lower figure, good returns from both the petroleum division and the refining and market-

ing division, and cost-containment measures in operation since 1981.

Mobil's biggest single ad expenditure is with subsidiary Montgomery Ward & Co., which makes up 11% of Mobil's corporate assets. In 1983, Montgomery Ward posted its first profitable year since 1979, with a 4.1% sales increase over the previous year. Montgomery Ward had 1983 net income of \$54 million on \$6.646 billion in sales from 327 conventional retail stores, 2,163 catalog facilities and 48 Jefferson Ward discount stores, as well as a large automobile club and a direct market insurance program.

Montgomery Ward's total measured ad budget held steady at \$9.57 million in 1983, with \$9.29 million of that total in spot tv, and only \$33,300 in regional network tv advertising. Montgomery Ward's discount subsidiary, Jefferson Ward, had measured media spending of \$177,200 in 1983.

Ward's new merchandising plan, to be implemented this year in selected stores, is termed by Montgomery Ward president-ceo Stephen Pistner:

"The seven worlds of Wards." Aimed at building a new market image, it creates seven specialty stores in one store: Apparel, automotive, home electronics, home furnishings, appliances, recreation and leisure, with well-known name brands to draw in younger customers.

All advertising and buying authority for Ward's is centered now in Chicago, under Mr. Pistner's direction.

Measured media ad spending for Mobil Chemical Corp.'s Hefty plastic trash bags was cut 7% in 1983, to \$9.3 million. Baggies plastic bags were supported by \$1.8 million in 1983 measured media spending.

Mobil oil and gas product advertising attracted sizable ad outlays, including \$4.6 million for gas and \$2 million for motor oil. At a regional meeting in September, 1983, Mobil dealers were told the company intends to turn many of its 12,000 full-service gas stations into self-service stations in combination with new "Snack Shop" convenience stores. In hopes of boosting

Welcome to Baltimore
 Now, 11th largest market!
 74% 5-year growth in retail sales
 1 million reach in The Baltimore Sun

Introducing a road well traveled by discerning media planners: The road to the Baltimore marketplace.

It is a growing marketplace. A marketplace boasting over \$21 billion in effective buying income. With three of five adults working in white-collar occupations. And a ranking among the top 20 markets in automotive, food, liquor

and department store sales.

The newspaper that paves your way into this region. The Baltimore Sun is growing with the marketplace. With the fastest growing Sunday paper of the top 5 markets—a new power selling Saturday Sun—and the latest syndicated research and national inter-media analysis from Million Market Newspapers, Inc.

Take a good look at Baltimore's newest signs of success: call your Million Market News papers representative or Diana M. Zinda, our Manager, National Advertising at (301) 337-6395.

THE BALTIMORE SUN
 Morning, Evening, Saturday, Sunday

its sagging gasoline and diesel sales, Mobil already has converted several of its Arizona locations.

Other major gasoline retailers including Amoco, Arco, Tenneco and Texaco have introduced similar convenience stores at former full-service stations in selected markets, but none has indicated plans to compete on Mobil's scale. If Mobil follows through on its announced plans, it will increase the nation's total number of convenience stores by 24%.

By mid-1985, 2,400 service stations are slated to have electronic point-of-sale terminals that automatically will transfer funds from a customer's bank account, and give "discounts for cash" to cash buyers. In Maryland and Virginia, 192 stations are being outfitted with the electronic transfer terminals this year.

New products in 1983 included Mobil 1 Rally formula, a synthesized motor oil, introduced overseas, and new plastic oil cans with easy-to-pour funnel spouts, aimed at the U.S. do-it-yourself market.

In January, 1984, Mobil Corp. filed a plan with the Internal Revenue Service asking for a rule on whether Mobil could set up a royalty trust of oil and gas producing assets, about equal to \$1.5 billion, and give shares in the trust to stockholders. The proposal would thereby save Mobil millions of dollars in taxes but deprive the U.S. government of several billion dollars in federal taxes.

Also in January, Mobil Oil Corp. signed a deal with the British Broadcasting Corp., ARTS & Entertainment Network, Lionheart Television International and WGBH, the Boston public tv station, allowing it to choose a minimum of 17 hours of BBC programming over the next three years. ARTS & Entertainment picked up BBC programming committed to The Entertainment Channel, which folded last year; Lionheart is the exclusive U.S. distributor of BBC material.

The deal does not affect or include previous agreements between Mobil and WGBH for three "Masterpiece Theatre" series from BBC, which Mobil underwrites in addition to "Mystery!" and Mobil Showcase Network.

Mobil also acquired a six-part miniseries from England's Brent Walker Television Productions, titled, "Mountbatten: the Last Victory," to be seen in the U.S. in 1986.

After losing in its acquisition bids for Belridge Oil, Cities Service, Marathon Oil and Conoco, Mobil finally slaked its thirst for major acquisitions in March of this year, buying Superior Oil Co., the nation's largest independent oil company, for \$45 per share, or \$5.7 billion.

The purchase makes Mobil the world's third largest oil company, although it still ranks second nationally to Exxon.

Advertising for Mobil's cultural activities campaigns and its controversial advertorial campaign, which began appearing regularly in 1970 on op-ed pages in nine daily newspapers, *The Economist*, *Time* and *Parade*, dropped from \$5.6 million in 1982 to \$4 million in 1983.

The advertorials are considered by many to be the combined opinions of president William P. Tavoulares and Herbert Schmertz, Mobil's vp-corporate affairs.

Mr. Tavoulares, a major force behind Mobil's commitment to Saudi Arabian oil, is scheduled for retirement in November, 1984. Mobil's directors, however, voted last September to keep him on after his retirement to affect policies on long-range planning, Mideast operations and acquisitions. Allen E. Murray, president of Mobil Oil Corp. generally is considered likely to succeed Mr. Tavoulares.

Chairman-ceo Rawleigh Warner Jr. may step down in February, 1986, leaving management policies wide open to change and new direction. Possible successors for his job are Richard F. Tucker, president-Mobil Diversified Business, the nonoil business, and Mobil Corp. exec vp James Q. Riordan.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$7,045,300	\$8,046,100
Magazines.....	3,924,100	6,181,200
Farm Publications.....	822,800	—
Spot tv.....	20,824,700	20,497,500
Network tv.....	7,178,400	9,808,000
Spot radio.....	2,432,500	3,695,200
Outdoor.....	52,600	40,300
Total measured.....	42,272,400	48,268,300
Unmeasured.....	252,660,100	271,731,700
Estimated total.....	294,932,500	320,000,000

CORPORATE PUBLIC AFFAIRS PERSONNEL

Herbert Schmertz, vp

J.B. Merrell, genl mgr

Marketing & Refining Division

R.L. Abbott, vp/genl mgr-mktg

H. Hokamp, genl mgr-resale mktg

R.J. McCool, genl mgr-commercial mktg

K.C. Esty, genl mgr-mktg services

A.G. Spiess, adv mgr

Advertising Agency

Doyle Dane Bernbach, New York—Mobil consumer and public affairs advertising—Larry Iannuzzi, group senior vp; W.F. Mattes, vp-acct super; Anne Oliver, acct super; Barbara Best, Les Allison, acct execs.

MOBIL CHEMICAL

Plastics Division

Consumer Products Department

P. Luchsinger, vp-mktg and sales

M.L. Sweeney, mgr-mktg services

A. Ferrari, bus mgr-bags

R. Cauffman, bus mgr-disposables

Packaging Department

R. Sax, mgr-graphics communications

L. Boudens, mkt devel mgr-industrial films

G. Auth, prod mgr-food prods

D. Galbraith, prod mgr-institutional prods

FILMS DIVISION

Design Products Department

E. Simpson, prod mgr

Commercial Films Department

J. Murphy, prod mgr

Advertising Agencies

Ted Bates Advertising, New York—consumer prods, Hefty bags, Hefty disposable prods, Baggies—Don Ashley, vp.

Conklin Labs & BeBee, Syracuse, N.Y.—Films division design prods—Thomas Colligan, president.

Gordon Bailey Associates, Stone Mountain, Ga.—institutional prods—Joe Skillen, acct exec. Industrial films—Ron Strauss, acct exec.

Hutchins/Young & Rubicam, Rochester, N.Y.—commercial films dept—Larry Smith, acct exec.

MONTGOMERY WARD & CO.

D. Snell, vp-adv and sales promo

C.P. Brewster, media director

Advertising Agency

Media Bureau International, Chicago—

Richard Pickett, president; Norma Wren, vp.

CONTAINER CORP. OF AMERICA

L. Ruhmann, vp-design and mktg

R. Best, mgr-corp mktg communications

Advertising Agency

CPM Inc., Chicago—Norman Goldring, president.

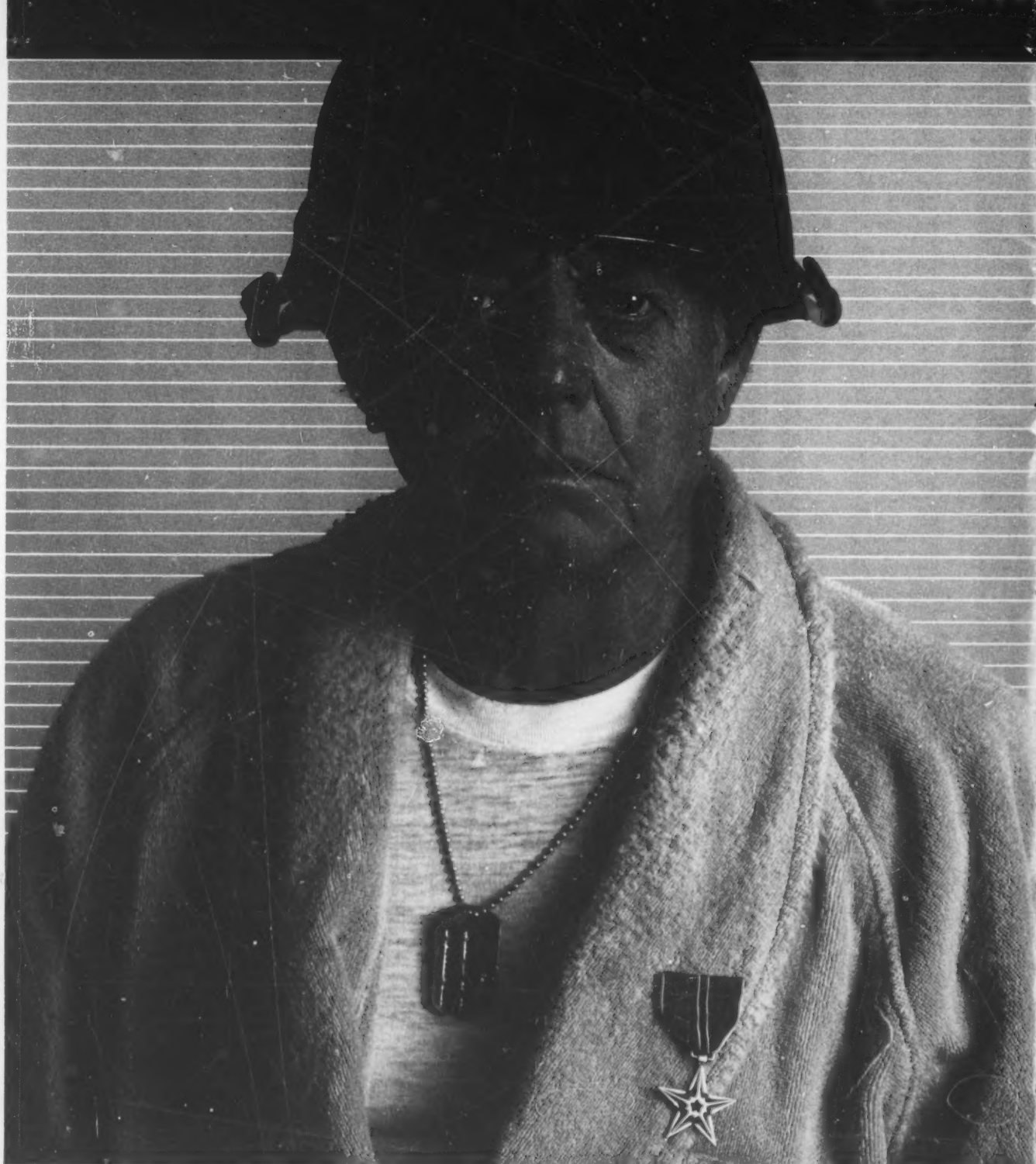
Philip Morris Inc.

	1983	1982
Sales*.....	\$12,975,900,000	\$11,586,000,000
Earnings*.....	903,500,000	781,000,000
U.S. Advertising	527,481,000	501,694,700

*Worldwide

Philip Morris Inc., New York, the

Since 1776, 39 million soldie 30 mi



sixth largest advertiser in the U.S., increased its advertising 5.3%, to an estimated \$527.5 million in 1983. Consolidated sales of the tobacco, beer and soft drink marketer were \$13 billion, up 12% from 1982. Earnings totaled \$903.5 million during the year, up 15.6%.

Among its major business lines—cigaretts and beer—unit sales for cigarettes were up, increasing the company's share of the market, and sales volume for its Miller Brewing Co. unit was down.

In 1983, Miller Brewing Co., Milwaukee, experienced a 43.1% increase in operating income, to \$227.3 million—25% of the company total—and sales were up slightly to \$2.99 billion, from \$2.93 billion. Miller's barrel

shipments declined for the second consecutive year.

Using data supplied by Lehman Brothers Kuhn Loeb Research, *Beverage Industry* estimated Miller's overall market share in 1983 dropped to 20.9%, from 22% in 1982.

Miller brands, facing heavy competition in the beer market—a market that has undergone category erosion in premiums and superpremiums—have dropped in market share, particularly in those poorer performing categories.

Lowenbrau dropped from a 11.3% share in the superpremium category to 9.5% in 1983, Miller Life dropped from a 23.1% share among premium beers to 20.8%, and Miller Lite slipped from 53.1% in 1982 to 52.9%, according to a study by *Beverage Industry*

and John Maxwell.

Miller, in an attempt to stop the slide of Miller Life—20.3 million bbls. to 17.5 million bbls. in 1983—handed out exploratory assignments to agencies to come up with a new campaign for the floundering brand.

The continued poor performance of High Life led to the resignation of two Miller execs. Both William Catlin, vp-brand management, and High Life brand manager Douglas Rogers left Miller in July.

Miller also pulled its Special Reserve brand from test, saying it did not meet expectations because of the declining superpremium category.

According to Leading National Advertisers, spending on High Life increased 5%, to \$51 million. LNA

charted Lite's increase at 12%, up to \$50 million.

Although the U.S. cigaret market was disrupted by tax increases, Philip Morris USA increased its unit volume slightly while making a large gain in market share. Sales reached 204.7 billion units, compared with 204.4 billion in 1982. Its market share reached 34.4% in 1983, up from 32.8% in 1982. Operating revenues were at \$5.5 billion, up from \$4.3 billion, while operating income reached \$1.3 billion, up from \$1.1 billion.

Marlboro, the largest selling cigaret in the U.S. and the world, led the industry with 120 billion units in the U.S. while increasing market share to 20.1%, from 19.2% in 1982.

Ad spending on Marlboro was up

slightly in 1983. According to LNA, spending on Marlboro filters was \$14.6 million, up from \$13.7 million in 1982. Spending on Marlboro filter king and 100s was \$16.7 million, up from \$15.6 million in 1982.

Philip Morris International increased total unit volume to 244.8 billion units. Excluding the U.S., PM International has a 6.2% share of the world market. Philip Morris was America's leading cigaret exporter. The volume of export sales dropped in 1983, but PM maintained a 58% share of the export market.

PM International's operating revenue was up 2.3%, to \$3.6 billion in 1983. Operating income declined 25%, to \$336 million. The decline was attributed to price competition, import restrictions, price controls combined with inflation and the strength of the U.S. dollar.

A price war broke out in the important West German market after a sharp increase in the excise tax, which lowered consumption in 1982.

PM successfully launched its L&M brand as a high-quality international brand to supplement Marlboro in the German market. At the end of 1983, PM had the best marketplace performance of the five major competitors. The general reduction in margins plus incremental marketing expenses sharply reduced PM International's operating income in the German market.

Seven-Up Co., PM's soft drink subsidiary, had an increase of 22.5% in operating revenues, to \$649 million. However, the company reported an operating loss of \$10.8 million. The loss was attributed to increased marketing expenditures. According to LNA, PM's advertising expenditure for 7UP was up to \$20.9 million, from \$19 million in 1982.

In 1983, 7UP and Diet 7UP increased volume. Like cola and Sugar Free Like are now in distribution in about 50% of the U.S. PM introduced NutraSweet into both Diet 7UP and Sugar Free Like. During 1983, 7UP expanded its no-caffeine advertising by introducing the "Freedom of Choice" campaign.

The Foods Group had a sizable increase in its operating revenues during 1983. Oregon Freeze Dry Foods gained a large private-label order for individually packaged diet entrees.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$45,271,900	\$43,793,800
Magazines.....	140,366,600	130,094,300
Spot tv.....	50,431,500	34,446,000
Network tv.....	128,266,100	110,845,000
Spot radio.....	22,482,800	22,677,600
Outdoor.....	55,210,500	50,538,000
Total measured.....	462,029,400	432,394,700
Unmeasured.....	65,452,360	69,300,000
Estimated total.....	527,481,800	501,694,700

TOBACCO PRODUCTS DIVISION

Marketing Personnel

William I. Campbell, exec vp-mktg
James L. Thompson, vp-media
Robert A. Fitzmaurice, vp-brand and promo
Albert J. Bismeyer, vp-merch
Hawes B. Coleman Jr., vp-field sales
Robert H. Cremin, vp-sales
John J. Gillis, vp-natl acct
John P. Jeb Lee, vp-mktg services
Thomas R. Keim, Vincent J. Buccallato, group directors-brand mgmt
Jon N. Zoler, director-mktg rsch
Ellen Merlo, director-mktg communications
William K. Cutler, director-merch materials
Vincent J. Weiner, director-special promo and productions
Robert P. Roper Jr., brand mgr-Marlboro
Richard L. Stirlen, brand mgr-Merit
Lawrence E. Wilson, brand mgr-Benson & Hedges
Howard Goldfrach, brand mgr-Virginia Slims
Robert F. Tracey, brand mgr-Parliament
Alysia J. Cohen, brand mgr-Players
Jack W. McAuley, mgr-brand programs, Marlboro
Cathy L. Lieber, mgr-brand programs, Virginia Slims
Cathy M. Gillis, mgr-brand programs, Merit
Claude A. Beck, director-media

Advertising Agencies

Leo Burnett USA, Chicago—Marlboro, Merit, Virginia Slims, Cambridge, Saratoga—Hall Adams Jr., ceo; William Engelbrecht, senior vp-client service director; Peter Volz, vp-acct super-Marlboro Saratoga; Paul Driggs, vp-acct super-Virginia Slims, corp trade; Peter R. Metz, vp-acct super-Merit, Cambridge; Thomas A. Dudreck,

rs have served their country. million of them are alive today.

28.5 Million veterans are currently eligible for free VA medical care.

3.5 Million veterans are over the age of 65.

12.6 Million World War II veterans will be 60 or older by 1985—and statistically will require five times more medical care than those under 60.

For the great majority of these veterans, the VA will be the health care provider.

The VA is DRG exempt and can expect to assume the responsibility for an increasing patient population from cost-conscious private sector medical facilities and Medicare referrals.

The VA is currently treating more than 1.3 million veterans on an inpatient basis while annually providing for 17.8 million outpatient medical visits.

More than 39 million prescriptions for ambulatory patients and more than 7 million intravenous and parenteral nutrition solutions were dispensed by VA pharmacies in 1982.

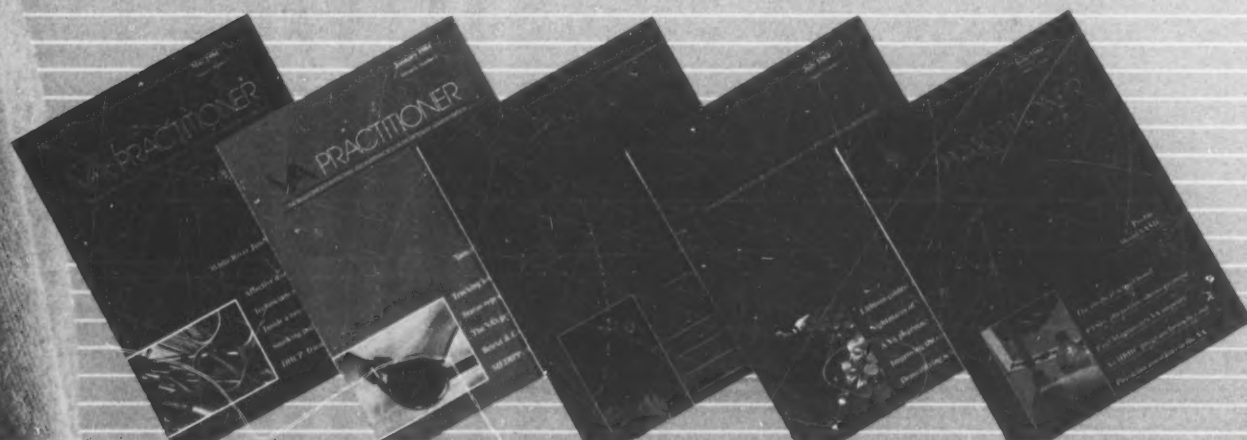
The \$500 million spent by the VA on pharmaceutical purchases in fiscal year 1984 is projected to double by 1987.

Gain access to this lucrative and expanding market through VA PRACTITIONER, the magazine devoted exclusively to the needs of the physicians and pharmacists of the Veterans Administration.

For media information, contact Michael Aster, Steve Goldstein or Jim Breuning at (201) 549-3000, 195 Main Street, Metuchen, NJ 08840.

VA PRACTITIONER

"A publication of Aster Publishing Corp."



acct exec-Marlboro, trade; Arthur McCullen, acct exec-Merit; Ray Pokorny, acct exec-Virginia Slims; R. Ross Harris, acct exec-Cambridge, Saratoga; Ted L. Simon, acct exec-new prods.

Wells, Rich, Greene, New York—Benson & Hedges, Players—David Bulleit, senior vp-acct group head; Jayne Eastman, senior vp-mgmt super; Robert A. Rosenthal, acct exec-Benson & Hedges; Nancy Brennan, Harry Kannar, acct exec-Players; Arnold Weinrib, senior vp-mktg director.

Doyle Dane Bernbach, New York—Parliament—Peter Tate, senior vp-mgmt super; Ella Kelley, vp-acct super; Fern Segerlind, Sandra Maryniak, acct execs.

MILLER BREWING CO.

Marketing Personnel

Lauren S. Williams, exec vp
Bob Toledo, vp-brand mgmt
W.H. (Barry) Barrett, brand mgr, Miller
Jerry F. Schutte, brand mgr, Lowenbrau
Victor Imbimbo, brand devel mgr, Calgary
Sam Frank, brand devel mgr, Miller Special Reserve

Michael Boykin, brand mgr, Magnum malt liquor, Meister Brau
Leonard Goldstein, vp-sales

Advertising Agencies

Backer & Spielvogel, New York—Miller High Life, Lite, Lowenbrau—Miller High Life: Jeff Palmer, senior vp-group mgmt rep; Constantine Scaros, vp-mgmt super; Randy Windschitl, vp-acct director; Peter Smaha, Michael Russell, acct execs. Lite: John Griswold, vp; Howard Sheman, acct exec. Lowenbrau: Ed Keating, vp-acct director; Vince Falcone, acct exec; David Stein, vp-acct director; Magnum, new prods; Larry Spagnola, acct exec, Meister Brau.

Mingo-Jones, New York—Miller High Life, Lite, corp adv—Fran Mingo, president; Caroline Jones, exec vp-creative; Wendell Crosswhite, senior vp-genl mgr; Sam Chisolm, vp-mgmt super; Alan Corwin, Michael Randazzo, Sam Reed, vp-assoc creative directors; Ken Gilbert, acct exec, Lite; Thom Jones, acct exec, Miller High Life; Charles Stanley, media director.

SEVEN-UP CO.

Marketing Personnel

Charles W. Schmid, vp-franchise
Wilson F. Fowle, vp-mktg
Ralph L. Countryman Jr., vp-media services

David L. Smith, vp-creative
Richard E. White, director mktg-7-UP brands

Brian H. Schuyler, director, mktg-new/allied brands
Anthony J. Rebello, director-foodservice prods.

Advertising Agency

N W Ayer, New York—7UP, Diet 7UP, Like—Clark Hine, senior vp-acct director; Joseph Harte, senior vp-mgmt super; Lauren Tucker, vp-acct super, 7UP; Leonard W. Stabile III, vp-acct super, Diet 7UP; Keith Gould, senior vp-exec creative director; Elin Jacobson, vp-creative super; Frank DeFilippo, senior vp-creative super, Diet 7UP; John F. Astaria, acct super-7UP field force; Kenneth J. McCarren, vp-mgmt super, Like cola; John Walsh, senior vp-exec creative director, Like cola; Howard Rieger, senior vp-group creative director, Like cola; Lynn McGrath, senior vp-group creative director, Like cola.

PHILIP MORRIS INTERNATIONAL

Marketing Personnel

Ed Gray, director-mktg services
Franklin Caton, mgr-mktg support services
Kay Galeotti, adv and promo coordinator

Advertising Agency

Leo Burnett, USA, Chicago—Jim Oates, acct director; John Benson, acct super.

PHILIP MORRIS INDUSTRIAL

Marketing Personnel

William D. McCoy, president, ceo

Advertising Agency

Ads Infinitum, Appleton, Wis.—Richard Zeihen, president.

MISSION VIEJO CO.

Marketing Personnel

Harvey Stearn, senior vp-residential construction and mktg
Kathi Pepka, adv mgr

Advertising Agencies

William Greene & Associates, Costa Mesa, Cal.—Bill Greene, principal.
King Advertising and Public Relations, Newport Beach, Cal.—Sandra King, principal.

Nabisco Brands

	1983	1982
Sales*	\$5,985,280,000	\$5,871,000,000
Earnings*	\$22,600,000	\$14,700,000
U.S. Advertising	367,530,000	335,205,000

*Worldwide

Nabisco Brands, Parsippany, N.J., the nation's 11th largest advertiser, spent an estimated \$367.5 million on advertising last year, up 10% from 1982.

Worldwide sales in 1983 reached a record \$5.985 billion, only about 2% more than the 1982 sales figure. Be-

cause of the strong dollar, sales were affected adversely in the international markets where Nabisco Brands does about \$2.4 billion worth of business, or 39% of the total. Domestic sales exceeded \$3.6 billion, a 4% gain over 1982. Net income tracked sales by rising 3% last year, to \$322.6 million.

Of Nabisco's total advertising budget, 36% was spent in traditional media as monitored by Leading National Advertisers. The six-media figure for the company in 1983 was \$120.7 million, according to LNA, up 10%. Most was in spot and network tv.

Products on which Nabisco spent \$4 million or more in measured advertising were Breath Savers Sugarless mints (\$6.2 million), Care-Free Sugarless gum (\$8.3 million), Fleischmann's Light corn oil spread (\$7.7 million), Life Savers Bubble Yum bubble gum (\$5.7 million), Life Savers candy (\$8.1 million), Nabisco cookies (\$12.8 million), Nabisco Toasted Wheat & Raisins (\$6.1 million), Planters nuts (\$7.5 million), Planters snacks (\$6.8 million).

Nabisco Brands operates three U.S. divisions: U.S. Bakery Products, U.S. Confectionery Products and U.S. Grocery Products, while Nabisco Brands Ltd. in Canada and International Nabisco Brands comprise the company's international front. U.S. operations accounted for 61% of net sales.

Over-all, the package foods producer made good on its resolution to be active in new product introductions and to support its products with aggressive marketing efforts. One key element in Nabisco's marketing strategy was to work to strengthen consumer recognition in equating Nabisco, the company, with Nabisco, the products.

A first step toward that goal was Nabisco's unveiling of a new, three-note musical signature. The melodic composition is from agency McCann-Erickson, which handles products included in Nabisco's Grocery Products division. The signature made its debut on the network telecast of the Tournament of Roses Parade in January, of which Nabisco was the exclusive sponsor. Nabisco says a recent study found that 85% of consumers polled identified the tv and radio three-note tune as belonging to Nabisco.

The U.S. Bakery Products division,

chalking up \$1.6 billion in sales in 1983, fought competition on the domestic front with new product introductions, including a number of line extensions, and with strong existing brands, which include the country's five top-selling cookies, according to Nabisco. The top cookies are Oreo, Chips Ahoy!, Fig Newtons, Nilla Wafers and Double-Stuff Oreo, which accompany a line of leading crackers, including Ritz, Premium, Wheat Thins and Triscuits. Nabisco reportedly holds a 32% share of the \$4.5 billion cookie and cracker segment.

A licensing agreement was signed between Nabisco Brands and Englewood, N.J.-based Popsicle Industries, a subsidiary of Consolidated Foods, whereby Oreo cookies, which are said to hold a 10% share of the cookie market, are supplied to local ice cream manufacturers throughout the country for use in various ice cream products.

Popsicle Industries markets and distributes the line under the trade name, Oreo Cookies N' Cream ice cream. The cookie-festooned products include half-gallon containers in four flavors, an Oreo cookie ice cream sandwich, and a stick ice cream version. The \$6 million advertising and promotional campaign is handled by William Esty Co.

But the big news in the prepackaged cookie category comes from the moist and chewy segment of cookie-dom. Nabisco's player in that new, growing and highly competitive market, Almost Home cookies, a 15-item line, appeared last year to compete with Frito-Lay's, Keebler and Procter & Gamble's (Duncan Hines) versions of soft and chewy cookies.

Within the first 10 months, the Almost Home cookies reportedly amassed \$250 million in sales. It has been reported that Nabisco and its competitors spent an estimated \$30 million apiece to support the cookies. The Dancer Fitzgerald Sample campaign pokes fun at the cookies' name, including an ad in which a taster concludes, "It deserves a name better than Almost Home."

Competition in the \$1.4 billion

cracker category heated up as Nabisco decided to roll nationally with its no-added salt and low-salt varieties of Triscuit and Wheat Thins crackers. Two new crackers, Sesame Thins and Herbs and Spice Twigs, appeared, while two existing cracker products, Better Cheddars Snack Thins and Waverly crackers, got a boost with new campaigns.

Nabisco's confectionery division rang up \$530.2 million in sales in 1983, along with a 29% gain in earnings for its sweet product lines, which include such brands as Life Savers, Bubble Yum and Curtiss candy bars. The company also reported a Bonkers! fruit flavored chewy candy, Nabisco's entry into that confectionery growth category.

An existing brand, Life Savers candy, and one of its kindred products, Breath Savers sugarless mints, were No. 1 in their respective segments of the market, receiving \$8 million and \$6 million, respectively, in measured media advertising support.

Bubble Yum bubble gum enjoyed first place in national bubble gum sales, and also increased its volume during the past year. Two new flavors, Pink Lemonade and Orange Sugarless Bubble Yum were added. Baby Ruth and Butterfinger, the cousins in the Curtiss candy line, received their first consumer advertising support in two years.

In the past year, the company consolidated all Nabisco Brands USA divisions, with the exception of the Biscuit Group and All Brand Importers, into a common distribution system. The move reduced the number of distribution centers from 55 to 14. Within the confectionery division, the sale and distribution of Baby Ruth, Butterfinger, Planters Nuts vend packs and Planters Cheese sandwiches were incorporated into the Life Savers direct sales force.

The Life Savers plant in Port Chester, N.Y., closed its doors in a cost-saving move. At the same time, Nabisco announced plans for the construction of a \$30 million food research and development facility that will occupy 370,000 sq. ft. in East Hanover, N.J.

The new facility will house not only research, but also the newly joined forces of Nabisco and CETUS Corp.

Designated Nabisco/CETUS Food Biotechnology, the new company will develop genetically engineered enzymes for food processing.

The U.S. grocery products division, which include margarines, nuts, snacks, yeast, cereals, desserts and pet foods, boosted sales 3%, to \$1.5 billion. Earnings climbed 10%, to \$186 million. Besides extending existing franchises and brands, Nabisco's grocery products division is involved in new product introduction. Blue Bonnet Baker's Blend, a margarine product in liquid form, has gone national.

The Planters division presented a new product, Planter Lite Peanuts, which reduces the caloric content of peanuts by one-third, made possible by a technological innovation. "The fitness nut for fitness nuts" Benton & Bowles-inspired campaign theme promotes the new product primarily on tv and in magazines. The Planters division maintains its leadership position in the nut business.

The active yeast category grew in importance as market leader Fleischmann's entered the quick-rising yeast area with Fleischmann's RapidRise yeast. Universal Foods' Red Star brand, which holds an estimated 33% share to Nabisco's 66% in the \$50 million category, basically a two-player market, introduced its quick-rise product first. By reducing rising time by 50%, it is hoped the new product will attract more home bread-bakers.

The Mr. Salty line of pretzels solidified its leadership position in that category by increasing its three-product line to 10.

The Canadian portion of Nabisco Brands reported a 15% increase in sales and a 12% gain in earnings in 1983. When it acquired Huntley & Palmer Foods of Britain last year, Nabisco also inherited Associated Biscuits of Canada Ltd., helping Nabisco Brands remain first in Canadian cookie and cracker sales. Earnings rose from \$58 million to \$65 million, when sales rose from \$607 million in 1982 to \$698 million last year.

The Huntley & Palmer acquisition reverberated throughout the international operation of Nabisco Brands also, while it gained 22% in sales and 12% in earnings in its U.K., continental Europe, Latin America and Asia/Pacific operations last year. In France, the Huntley-Palmer acquisition has gotten Nabisco closer to realizing its plans to expand in the frozen food business. In India, the company now plays a major role in the biscuit and bread business, thanks to the business enjoyed by the Huntley & Palmer subsidiary in that country.

A major reshuffling of corporate officials took place in June when Robert M. Schaeferle, chairman-CEO, Nabisco Brands, continued as chairman of both the corporation and the executive committee, but passed the CEO title to F. Ross Johnson, who is also now the company's vice-chairman. Mr. Johnson had been the president-chief operating officer. That dual title passed to former senior exec vp James O. Welch Jr. Robert J. Carbonell became president of Nabisco Brands USA and exec vp of Nabisco Brands Inc., after serving as the company's senior vp, Nabisco Brands Inc., and exec vp-corporate technology, Nabisco Brands USA.

The president of the Life Savers and Curtiss division, Peter N. Rogers, moved on to become president of Biscuit, and he was replaced by Lawrence Kleinberg at Life Savers Inc. It has been reported that the upper-level promotions are the reward of a job well done—specifically, the apparent success of Almost Home cookies.

Parkson Advertising, Nabisco's in-house agency, became a part of Ohlmeier Communications Co., New York, via a 50% partnership agreement with Nabisco.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers	\$6,173,900	\$6,225,500
Magazines	9,167,500	11,772,400
Spot tv	22,126,500	20,006,200
Network tv	82,018,000	66,578,000
Spot radio	984,700	1,167,800
Network radio	4,695,900	8,878,800
Outdoor	363,900	495,600
Total measured	125,530,400	115,285,000
Unmeasured	242,000,000	220,000,000
Estimated total	367,530,400	335,285,000

The top 25 spot radio advertisers

Rank	Advertiser	Expenditures (\$000)			
		1983	1982	1983 as % of total advertising exp.	1982 as % of total advertising exp.
1	Anheuser-Busch Cos.*	\$40,675.5	\$36,801.0	14.0	15.1
2	General Motors Corp.*	29,079.4	31,024.3	4.9	5.7
3	American Telephone & Telegraph Co.*	27,949.3	18,869.0	6.0	5.1
4	Philip Morris Inc.*	22,482.8	22,677.6	4.3	4.5
5	Adolph Coors Co.*	21,578.0	8,898.0	33.9	23.0
6	Chrysler Corp.*	16,651.1	28,376.6	7.2	16.4
7	Delta Air Lines*	15,309.1	11,746.5	23.9	23.8
8	UAL Inc.*	14,635.6	14,135.9	19.0	18.0
9	Van Munching & Co. (Heineken)	14,603.5	7,325.1	N/A	N/A
10	PepsiCo, Inc.*	14,204.9	16,544.2	4.0	5.4
11	Ford Motor Co.*	12,993.4	23,100.0	2.7	7.4
12	Southland Corp.	12,146.3	7,882.6	N/A	N/A
13	American Honda Motor Co.*	11,035.8	11,866.2	9.6	12.5
14	Martlett Importers (Molsons)	10,917.3	7,773.3	N/A	N/A
15	Nissan Motor Corp. in U.S.A.*	10,880.6	11,382.6	8.9	9.7
16	Stroh Brewery Co.*	10,532.4	12,667.4	14.3	22.8
17	Pillsbury Co.*	9,639.6	6,120.3	5.0	3.6
18	Eastern Air Lines*	9,218.2	10,238.2	13.2	17.8
19	Greyhound Corp.*	8,918.2	7,044.0	10.7	9.4
20	Ralston Purina Co.*	8,829.5	5,756.9	3.1	2.6
21	AMR Corp.*	8,300.5	8,429.2	10.4	13.7
22	Coca-Cola Co.*	8,048.4	14,185.3	2.9	5.6
23	Bank of America	7,591.2	4,616.1	N/A	N/A
24	Zayre Stores	6,926.9	5,799.0	N/A	N/A
25	General Mills*	6,197.6	5,632.8	2.3	2.3

Source: Radio Advertising Bureau
*Indicates a 100 Leading National Advertiser

OFFICE OF THE CHAIRMAN

Robert M. Schaeberle, board-exec committee chairman
F. Ross Johnson, vice chairman-ceo-president

Robert J. Carbonell exec vp-NBI, president-NB USA

James O. Welch Jr., president-coo
W.G. Dunnington, exec vp-genl counsel
John E. Willett, exec vp-chairman-NBI

NABISCO BRANDS USA

Executive Personnel

Robert J. Carbonell, president, Nabisco Brands USA

Peter N. Rogers, exec vp, president, Biscuit Group

Claude P. Hampton, senior vp-group exec
Edward P. Redding, senior vp-group exec

John H. Clarke, exec vp-corp technology
Ray Wright, senior vp-finance, Nabisco Brands USA

Harold E. Powell, exec vp-administration
Marketing Services

W. Lee Abbott, vp-Nabisco Brands USA
Samuel B. Haines, div vp-mktg support

Louis J. Rubinacci, director-media
Ronald C. Roedema, director-sales promo

BISCUIT GROUP

Peter N. Rogers, president, exec vp-NB USA

Neil Westermayer, vp-mktg
William R. Stuart, director-mktg, sweet goods

Robert H. Lanham, director-mktg, crackers
William S. Brown, director-mktg, snacks

Dante G. Bonardi, director-adv
Advertising Agencies

William Esty Co., New York—Cookies, crackers, snack foods—J. Greene, mgmt

super-corp acct; T. Hayes, senior vp-mgmt super; A. Allen, senior vp-mgmt super; J. Scott, senior vp-mgmt super.

Ohlmeyer Communications Co., New York—(joint venture with Nabisco), crackers—Phil Howort, president; Phil Agisim, vice chairman; Dean Heitler, senior vp-client and mktg services.

Dancer Fitzgerald Sample, New York—Almost Home cookies—A. Gray, acct exec; S. Hart, acct super; R. Caro, mgmt super; J. Mack, mgmt director.

NABISCO CONFECTIONS INC.

Marketing Personnel

Henry J. Bornhoff Jr., president
Edward L. Bjornson, exec vp-genl mgr

Harold E. Boustillier, director-mktg
Advertising Agency

Arnold & Co., Boston—J. Brown, acct super; L. Green, acct director.

FOOD SERVICE DIVISION

William J. Tobin, president
John T. Mitchell, vp-mktg

Advertising Agency

The Food Group, New York—D. Axelrod, president.

LIFE SAVERS INC.

(AND CURTISS DIVISION)

Marketing Personnel

Lawrence Kleinberg, president
Robert W. Denny, vp-mktg

Eric N. Shullman, director-mktg
Michael W. Gretz, director-mktg, Curtiss

Advertising Agencies

Dancer Fitzgerald Sample, New York—Life Savers prods—Joseph P. Mack, exec

vp-mgmt director; R. Egan, senior vp-mgmt super; C. Dalton, acct super; M. Schlesinger, acct super; M. LeDuc-acct super.

Bozell & Jacobs, Chicago—Baby Ruth, Butterfinger—L. Shelton, acct exec; T. Streit, acct exec.

MARGARINE DIVISION

John H. Murray, president
Ellen R. Marram, vp-mktg

Roger L. Wagner, director, margarine prods.
Robin Schofield, director-desserts prods

Advertising Agencies

Benton & Bowles, New York—Blue Bonnet, Fleischmann's—J. Schanck, acct exec; Theodore S. Burnett, acct director; R. S'Dao, acct super; Kenneth Hite, mgmt

super.
Ted Chin, New York—Royal desserts, Egg Beaters—Ted Chin, president; R. Self, vp-acct super.

Deltakos, New York—pharmaceutical advertising, Fleischmann's Lite, Egg Beaters—Victoria N. Roberts, vp-acct exec.

PLANTERS DIVISION

G.F. Randolph Plass Jr., president
W. VonPein, exec vp

D. Smiley, director-adv, consumer promo
Robert Wienke, director-snacks, oils, new prods

David Bacon, group prod mgr-oil/dry roast nuts
Advertising Agency

Benton & Bowles, New York—nuts, snacks, new prods—R. S'Dao, acct super; G. Burn, acct super, K. Hite, mgmt super.

GROCERY PRODUCTS DIVISION
William B. McKnight, president

George A. Erfurt, vp-mktg
Ruth L. Brodsky, group brand mgr-hot

cereals, Dromedary prods.
Stephen G. Wilkerson, group brand mgr-pet

snacks
Marianne B. MacManus, senior brand mgr-ready-to-eat cereals

Advertising Agencies
McCann-Erickson, New York—R.T.E. and hot cereals, Dromedary prods—Marsha

Badanes, senior vp-mgmt rep; G. Schwinder, acct director; P. Higgins, acct super.

William Esty Co., New York—Milk-Bone brand pet snacks—John Scott, mgmt super.

J. Walter Thompson, New York—Home Hearth bread mixes, Fleischmann's yeast—R. Cudd, acct exec; J. Birkbeck, acct super; J. Mahr, group acct director; Robert M. Bird, mgmt super.

ALL BRAND IMPORTERS
P.F. Lohmeyer, chairman

John J. Kucich, president
Leo Begleiter, senior vp-mktg

Advertising Agency
Bloom Agency, New York—J. Signorile, acct exec; Madigan Pratt, acct super; Burt

Cobe, media super.

Nestle Enterprises

	1983	1982
Sales*	\$2,506,000,000	\$2,341,000,000
Earnings	N/A	N/A
U.S. Advertising	114,957,000	112,500,000

*U.S. only

Nestle U.S. Enterprises, White Plains, N.Y., a subsidiary of Nestle S.A.,

Vevey, Switzerland, logged an estimated \$114.9 million in domestic advertising spending in 1983, up 1.8% from the previous year. That makes Nestle the 61st largest U.S. advertiser.

Worldwide sales rose 1%, to \$13.4 billion, reversing a decline in sales in 1982. Profit before nontrading items and taxes rose 18.3%, to \$1.4 billion. (Worldwide sales based on \$0.4796=1 Swiss franc.)

Sales in the U.S. rose 7%, to \$2.508 billion in 1983. North American sales accounted for about 20% of 1983 sales worldwide, up from 19% in 1982.

Strengthening U.S. sales long has been a goal of Nestle S.A., in hopes that the U.S. market would help offset the seesaw activity in less stable international markets. In 1983, with a spate of new product formulations and company acquisitions, Nestle began shaking off its image of a sleepy, sluggish giant.

This new phase of aggressiveness coincides with the appointment of James M. Biggar as president of Nestle Enterprises, the umbrella group for the

10 Nestle companies in the U.S. Among these companies are Nestle Co., whose products make up a wide array of candies, teas and coffees; Stouffer Foods Corp., maker of the Lean Cuisine line and other frozen foods; Stouffer Restaurant Co.; Stouffer Hotel Co., and Wine World, a California winery.

Mr. Biggar, former president-ceo, Stouffer Corp., is employing some of the same strategies used to catapult Stouffer Foods into a major force in the frozen-food category, by upgrading product quality to appeal to the more sophisticated tastes of the affluent.

Nestle reformulated and repackaged the Crunch bar in 1983, which it supported with about \$8 million in measured advertising.

Last year also saw the introduction of Nestle's own brand of chocolate-flavored milk, which reportedly is doing "extremely well." So far, it hasn't cannibalized any of Nestle's other related products.

Beech-Nut Nutrition Corp. tested Stages, a new line of baby food that is

being rolled out this year.

Nestea bags, another product tested in 1983, did not fare as well as some of the other new products and it reportedly still is being tested. About \$94,500 was spent to advertise the product.

Acquisition of Terso's Ward-Johnston, a candy company, was announced late in 1983. Although a relatively small company, it boasts a number of well-known names—Raisinets, Bit-O-Honey and Chunky—and will help strengthen Nestle's 5% share of the candy market.

In 1984, the company announced plans to acquire CooperVision Inc. by Nestle's Alcon Laboratories, a maker of extended-wear contact lenses and other eyecare pharmaceuticals. But that move was challenged by the Federal Trade Commission.

Nestle also announced it had acquired an option to purchase all of the stock of Hills Bros. Coffee Inc., whose sales of roast and ground coffee reached \$347 million in 1983. The company said it does not plan to exercise this option until 1985.

Our figures are in great shape.

Boothland may not conjure up the image of a newsprint Charles Atlas, but in truth, our eight award-winning newspapers pack a lot of muscle.

In fact, right off the bat we're probably a lot bigger than you think we are. Our 44 contiguous counties, for instance, make up America's 7th largest metro market with over 3.5 million people, living in 1,261,470 households spending 30.2 billion dollars. Very healthy figures indeed.

And when they spend that money they work off the dollars in the right places. Making Boothland the

8th largest passenger car market. The 8th largest in drugs and cosmetics. 9th in food. And 11th in apparel.

And when we go head-to-head with our bigger rivals in circulation we more than carry our weight. Outside Detroit, the News delivers 47,265 homes, the Free Press 108,676, the eight Booth newspapers an incredible 533,927.

If your clients' figures could use a little work, send them somewhere that'll put them back in shape. The eight award-winning Booth newspapers.

Phone Booth today at (313) 540-5600. Represented nationally by Newhouse Newspapers.

newspapers
booth

Ann Arbor News • Jackson Citizen Patriot • Flint Journal • Saginaw News
Bay City Times • Muskegon Chronicle • Grand Rapids Press • Kalamazoo Gazette

Analysts indicate that these recent acquisitions demonstrate a determination to maintain a strong presence in these markets. Until this recent onslaught of aggressive product introductions and acquisitions, Nestle had been content to offer reformulations as a means of stimulating sales.

Not long after the announcement of the Hills Bros. acquisition, Nestle presented Nescafe's new line of custom blended coffees, marketed under the names Brava, Classic, Silka and Decaf.

Advertising for these products, initially available in the eastern regions of the U.S., will promote the distinctive formulations, based on an elaborate selection of beans and roasting processes. Advertising and promotion is estimated to be between \$20 million and \$30 million annually.

Figures on coffee consumption in the U.S. show that the average American is drinking fewer cups. To help combat that, Nestle spent \$19.5 million to promote Taster's Choice Freeze Dried and Decaffeinated, mostly via tv. This is up from \$18 million in 1982.

The company says Taster's Choice is now the No. 1 brand in the instant market, with about 20% of the market in dollar sales.

Chocolate morsels gained advertising dollars, from \$13.2 million in 1982 to \$15 million in 1983. Nestle Co. was unsuccessful in its suit against Toll House Restaurants charging trademark infringement. That decision is being appealed.

Another important move in the morsel market was the introduction of Nestle's peanut butter morsels. Nestle officials say it became the best selling brand in the category after three months on the market.

Improved performance in 1983 is also attributable to the continuing success of Stouffer Foods Co., particularly its Lean Cuisine line, which was introduced in 1981. In 1983, the first full year of national distribution, sales rose 31.9% over 1982.

However, Lean Cuisine saw increased competition in this category, coming from Campbell's Le Menu and Weight Watchers, both of which also are advertising vigorously. Accordingly, measured advertising spending for Lean Cuisine climbed to \$8 million, up from \$7.3 million in 1982.

Stouffer's regular line of frozen entrees got \$1.4 million in 1983 measured spending. Together, Stouffer entrees and Lean Cuisine account for more than 50% of the frozen entree market.

Stouffer raised slightly the amount spent on frozen pizza, from \$3.5 million in 1982 to \$3.9 million in 1983. Stouffer is spending \$75 million to build a frozen food processing plant in Utah. The plant will begin operation early in 1986.

The Stouffer Hotels division continued to purge itself of properties that "did not fit our image," including the cancellation of all franchise operations under the Stouffer banner but not operated by Stouffer Hotels. Stouffer Hotels expects to grow from 7,500 rooms to 20,000 in the next six years. The new advertising slogan, "New cities, new excitement. The new Stouffer Hotels!" projects this new direction.

Dairy products, which account for 20.4% of total sales, were down slightly from last year's 21.4%. The big news on this front was the recent end of the boycott imposed in 10 nations for Nestle's failure to comply with infant formula marketing codes adopted by the World Health Organization and UNICEF in 1981. Compliance with the code cost Nestle an estimated \$10 million to \$20 million. The boycott formally ended in February, 1984.

THE NESTLE CO.

Marketing Personnel
B.E. Gensamer, senior vp-mktg and strategic planning
Bonnie T. Pizen, vp-mktg services

Advertising Agencies

Leo Burnett USA, Chicago—Taster's Choice regular and decaffeinated, Nestle bars, Morsels, new candy products—Jerry Conner, acct director.

J. Walter Thompson USA, New York—Sunrise, Nestea, Nestle milk chocolate, Chunky, O Henry bars—Peter Schweitzer, senior vp-group acct director; Don Challis, senior vp-acct director; Philip Forman, vp-acct director.

Jordan, Case & McGrath, New York—Deer Park Water, Crunch bar, Bit-O-Honey, Goobers, Raisinets, \$100,000 bar, Rich 'n Creamy Hot Cocoa mix, Chamoury Desserts, Wispride, and Nestle Fund Raising—Jack Taylor, exec vp; Matthew McHenry, Steven Badenhop, mgmt super.

McCann-Erickson, New York—Nescafe regular and decaffeinated, Quik—John Boyd, senior vp-mgmt rep; Ted Donahue, vp-acct director.

STOUFFER RESTAURANT CO.

Marketing Personnel

John Qualigiani, president

Rick Cassara, director-mktg

Advertising Agency

Wyse Advertising, Cleveland—Chuck Boggs, senior vp-group super.

BOREL RESTAURANT CORP.

Marketing Personnel

Fredric W. Tippett, president

Suzette Cavanaugh, director-mktg

Advertising Agency

Michael Sellers, San Francisco—Marcia Michael, senior vp; Pam Heritage, acct exec.

STOUFFER HOTEL CO.

Marketing Personnel

William N. Hulett, president

Ronald A. Nykiel, senior vp-mktg

Robert Nance, director-adv

Advertising Agency

Wyse Advertising, Cleveland—Chuck Boggs, senior vp-group super.

STOUFFER FOODS CORP.

Marketing Personnel

Robert L. McGuigan, president

Gerald V. DeCrose, vp-mktg

Jeff Peck, mktg mgr-entrees, side dishes

Richard B. Annet, mktg mgr-Lean Cuisine

Paul D. DeVries, mktg mgr-new ventures

Advertising Agency

HBM/Creamer, Pittsburgh—frozen foods

—Richard Weber, Howard S. Gittins, vps.

WINE WORLD

Marketing Personnel

Mike Moore, president

J.F. Tonjum, vp-sales and mktg

J.L. Bareuther, vp-genl mgr, C&B Vintage

Cellars

R.G. Carpenter, vp-natl sales mgr

J.E. Thompson, vp-group prod mgr,

C&B Vintage Cellars

Advertising Agency

Allen & Dorward, San Francisco—John Galbraith, mgmt super; Barbara Frazier, acct super.

LIBBY, MCNEILL & LIBBY

Marketing Personnel

L.P. Judy, president

W.J. Barry, vp-natl sales mgr, grocery prods

W. Cuff, vp-specialty foods and prod devel

G.D. James, vp-grocery prods

J.W. Stevenson, senior vp-business devel

Advertising Agency

Bloom Cos.—canned juices and drinks, canned pumpkin, canned meats, nectar

products, produce products, specialty products and new products—Henry Lewczyk, senior vp-mgr.

BEECH-NUT NUTRITION CORP.

Marketing Personnel

Niels L. Horvath, president

Steven B. Most, vp-mktg

Russ Decker, mgr-mktg services

Drew Stanier, Martin Kimmel, directors-

mktg

Advertising Agency

Sherwood & Schneider, New York—James Massey, mgmt super; M. Abramson, acct super.

Nissan Motor Corp. in U.S.A.

	1983	1982**
Sales*	\$14,417,183,000	\$13,282,175,000
Earnings*	\$93,083,000	\$97,821,000
U.S. Advertising	122,848,000	117,566,700

*Fiscal years 1984 and 1983 ended March 31

**Fiscal 1983 reissued

Nissan Motor Corp. U.S.A., Carson, Cal., a subsidiary of Nissan Motor Co. Ltd., Tokyo, was the 54th largest national advertiser in 1983, with an estimated expenditure of \$122.8 million, up about 4.5% from 1982.

In the 1984 fiscal year ended March 31, Nissan Motor Co. Ltd. reported earnings lower than year earlier figures, with net income down 26%, to \$293.8 million, on sales of \$14.4

billion, up 8.3%.

The Japanese manufacturer of Nissan cars and trucks produced 2.7 million units for the fiscal year (including 210,697 "knockdown sets" for overseas assembly), up slightly from year earlier figures.

Total worldwide vehicle sales for Nissan rose 1.5%, even though sales in the Japanese homeland dropped 0.4%, to 1.1 million units.

Nissan's U.S. sales, representing 46% of worldwide unit sales, rose from 567,480 cars and trucks in March, 1983, to a 670,282 total in March, 1984. Cars were up 7.6% to 465,662 and truck unit sales increased 52.5% to 110,818. The best selling Sentra, known as the "Sunny" in other world markets, accounted for 209,889 units, up from 130,161 in 1982. In addition to being the most popular imported car in the U.S., the Sentra was also the highest volume production car in the world. Nissan spent \$14.6 million, down 18%, on the Sentra in measured media.

Of total ad expenditure of \$122.8 million, \$85.8 million in six measured media included \$37.7 million in spot tv, \$33.6 million in network tv, and \$13.4 million in magazines, according to Leading National Advertisers. Not included in the \$85.8 million was an additional \$24.1 million in national advertising spent by Nissan Motor Co. local dealers and franchises.

U.S. truck sales for Nissan also showed a significant improvement, up 27.3%, thanks largely to the startup of truck production at the company's assembly plant in Smyrna, Tenn.

The company's share of the over-all U.S. market was down slightly to 5.5%, from 5.6% in 1982. Nissan still ranks fourth in worldwide production, behind General Motors, Ford and Toyota.

The first half of the 1984 model year at Nissan saw a continuation of the creative umbrella, "We are Driven," and sustaining support behind most product lines. The Pulsar line was expanded to include a turbo option, and the new truck line was introduced under the Nissan nameplate, replacing the Datsun brand name.

About 40% of the total advertising budget was devoted to the Nissan truck introduction. Of that amount, the truck grabbed \$23.6 million in measured media support virtually split between network and spot tv. The Nissan label is a major step toward the change in corporate identity from Datsun to Nissan.

A new ad theme, "Come Alive, Come and Drive, Major Motion from Nissan," was introduced in October, 1983. The campaign, developed by William Esty Co., is based on Nissan's commitment to quality and technologically advanced products. It underscores the fact that starting in October, 1984, all products will be marketed under the Nissan name.

The new theme was launched with a combination of 60-second spots, some devoted to corporate image and others to "Name in Motion," and the product-sell commercials, which were designed around the new campaign.

Nissan trucks were positioned as a full line of quality-built compact vehicles featuring toughness, durability, power and economy in terms of purchase price and operation. Print ads used such headlines as "Nissan handles the Rough Stuff" with extensive listings of product features. Tv spots established the tough truck value-oriented positioning with action-packed commercials using the new "Major Motion" theme.

The 1984 model year saw heavier weight placed behind the 4x4 pickup truck segment to capitalize on its tough macho image. Special emphasis also was placed on the S/T (Sport Truck) top-of-the-line trim level, the exclusive King Cab, the heavy duty long bed as well as the regular bed truck priced at \$5,999. In February, 1984, the 8.8% "subvention" interest rate program, which first was offered in the spring of 1983, was reinstated. It was supported by tv, radio and newspapers.

The car product lines also had the introduction of a new 300ZX sports

car in two-seater, 2 plus 2 and Turbo models designed to extend the heritage of the "Z" into a new era of performance and technology, with prices beginning at \$15,799 for the five-speed coupe.

In addition to the new "Z," a sporty new 200SX was introduced in both notchback and hatchback versions. The hatchback also was introduced with a turbo option, a car that Nissan marketers aimed to appeal to the younger, upwardly mobile male and female car buyers.

The economy Sentra, priced at \$5,199 for the two-door sedan model, continued to represent the bulk of Nissan sales. The advertising behind this low-price offering was designed to maintain Sentra's position as the No. 1 import car with print and tv ads that stressed its advanced technology and value under the "Major Motion" theme.

The Stanza continued to sell well as a roomy family car with plenty of power and high-technology advancements. Measured ad spending for the Stanza was \$6.9 million. In the Pulsar line, the sedans were dropped and advertising support—\$2.8 million—shifted to the Pulsar NX. The Maxima, attracting \$1.5 million in measured spending, continued to be positioned as a luxury sedan and wagon. These three product lines were supported primarily in magazines, with the bulk of the car media dollars being devoted to the introduction of the new 300ZX, 200SX and maintenance of the Sentra line.

The 1984 models had the support of the largest single ad budget in the company's history. The media mix of tv, radio, newspapers and magazines followed the basic pattern set in 1983, but with greater support in local markets.

Network tv exposure was provided by "Monday Night Football," the sixth consecutive year Nissan has appeared as sponsor. Nissan also bought a major sponsorship with import automotive exclusivity on ABC-TV's telecasts of the 1984 Summer Olympics. To capitalize on this investment, Nissan became the car and truck sponsor of the U.S. Gymnastic Federation. A Nissan gymnastic demonstration team was developed for appearances at the Nissan exhibit at auto shows in major markets and dealership openings.

Early in 1984, Nissan announced it would begin assembling cars at its Smyrna, Tenn., plant, beginning next spring. The company plans to build as many as 100,000 subcompact Sentras a year and boost production of the small trucks it now makes at Smyrna to 140,000 units annually from 120,000.

Nissan also reported it will begin assembling cars in the U.K. in 1986 in what would be the first such entry by a Japanese auto maker into the European Common Market.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers	\$9,443,600	\$9,742,800
Magazines	13,351,900	12,798,600
Farm publications	231,200	—
Spot tv	37,723,600	32,471,100
Network tv	33,692,900	23,548,100
Spot radio	18,000,600	11,382,600
Outdoor	975,100	971,500
Total measured	106,228,900	91,666,700
Unmeasured	16,619,100	26,500,000
Estimated total	122,848,000	117,566,700

Marketing Personnel

R.B. Kent, vp-mktg services
J.M. Opre, adv director
T. Collier, dealer support director
T. Foutz, natl auto adv mgr
D. Hubbard, natl truck adv mgr
G. Ewald, natl sales promo & merch mgr
S. Furedi, media planning mgr
K. Okenquist, natl dealer adv mgr

Advertising Agency

William Esty Co., New York/Los Angeles
—all Nissan vehicles—George Beech, mgmt super.

Noxell Corp.

	1983	1982
Sales*	\$304,300,000	\$261,897,000
Earnings*	23,295,000	18,584,000
U.S. Advertising	58,364,400	49,584,000

*Worldwide

Noxell Corp., Baltimore, the 94th largest national advertiser, increased its advertising spending 17.5%, to an

estimated \$58.3 million in 1983.

The company, which markets cosmetics, skincare products, household products and specialty foods, had a 16% sales increase from 1982, to \$304.3 million. Net income was up 25.4%, to \$23.2 million.

Noxell said unit volume increases caused both sales and profits for the domestic and international operations to reach new highs. Domestic price increases during the year averaged 5%.

The company said Cover Girl cosmetics division sales, which accounted for 57% of the company's net sales, were up 25% as earlier new entries continue to do well and Cover Girl Luminesse lipsticks were introduced.

The company said Cover Girl products continue to be the fastest growing business, growing faster than the market, further strengthening the leadership of Cover Girl in several major market segments.

Cover Girl makeup, in its 22nd year on the market, had a 1983 ad spending increase of 5.5%, to \$9 million.

Cover Girl eye makeup was backed by \$1.7 million in advertising. Cover Girl mascara got \$10.3 million in ad backing, an 8.9% increase from the previous year, with \$10.1 million going to network tv.

In the eye makeup category, the company's mascara holds a 26% share, eyeliner has 52% and shadows 19% in grocery store sales, according to analyst Diana Temple at Salomon Brothers. She said the Cover Girl line is "really the heart of the company," and exceeded sales of \$170 million for 1983, a 25% growth over 1982. She added that the line is growing in excess of 20% in 1984.

Cover Girl nail polish spent \$5.9 million in advertising in 1983, an increase of 225% from 1982. Cover Girl nail polish had a 34% share of grocery store sales in 1983, with the continued success of Cover Girl NailSlicks fueling line growth.

Cover Girl lipstick, with a 37% market share in supermarkets, grew substantially from 1982's 14.4%. This growth was due in part to the introduction of Cover Girl Luminesse lipstick, with a campaign promoting the "soft satin look for lips." The lipstick group was backed by \$2.7 million in ad spending, down 35% from the previous year.

Tv accounts for 81%, or \$45.7 million, of total measured spending for the company, with Cover Girls Jennifer O'Neill and Carol Alt joining models Cheryl Tiegs, Christie Brinkley and Kelly Emberg and actress Stefanie Powers in promoting "That Cover Girl Face."

The toiletries business reversed its 1982 sales slump and had both unit and dollar increases contributing 22% of consolidated sales, the company said.

Noxzema skin cream, which suffered a sales decline in 1982, grew by about 1% in 1983, to a market share of 20% in grocery outlets. Ad spending in 1983 for the facial cream, which has been marketed for 69 years, was \$6.8 million, up 68% from the previous year.

Noxzema 12 Hour acne medicine and skin cream received a major increase in ad spending. Total 1983 ad support was \$3.6 million, up 350% from 1982. Network tv spending accounted for \$2.7 million of the 1983 ad support.

Noxzema antiseptic skin cleanser also received an increase in ad support. The company spent \$1.1 million to back the cleanser, an increase of 125% over the previous year.

Raintree hand & body lotion, fighting stiff competition in that segment, declined in market share to 2% in 1983, from 3% in 1982. Ad support for the line also decreased to \$1.8 million, down 61% from the previous year. Deepak Raj, an analyst at Merrill Lynch, said the heavy competition from other lotions and creams may discourage Noxell from spending any more money on Raintree until the line's position is established.

Noxzema shaving cream grew by 20% in dollar sales as a result of the continued success of the "Share the Softness" advertising campaign, which began in late 1982. Market share for

ADVERTISING EXPENDITURES

	1983	1982
Newspapers	\$1,933,200	\$3,598,700
Magazines	11,637,900	8,468,800
Spot tv	32,793,100	28,712,900
Network tv	47,259,200	49,105,100
Spot radio	428,000	1,108,900
Network radio	747,500	2,225,000
Outdoor	187,700	162,800
Total measured	94,956,600	93,382,200
Unmeasured	*29,000,400	19,117,900
Estimated total	114,957,000	112,500,000

*Includes \$1.5 million in cable tv.

the product was 11%, supported by \$2.5 million in ad spending, or 82% from 1982.

New emphasis is being placed on the household products category. Lestoil shares were marginally lower, the company said. Ad spending in 1983 was \$1.1 million, down 10.3% from 1982. William Esty Co. now is handling the advertising.

Noxell has a new plant under construction in Baltimore. Analysts say the plant will help Noxell maintain the efficient performance the company has shown in the past. The facility, expected to be in full production by the end of the year, will manufacture pressed powder for Noxell, eliminating the need for an outside supplier.

Noxell also is expanding into a specialty foods line developed by its Caliente Chili subsidiary, which the company acquired in 1983. While analysts say the area is experimental, some predicted the company would reach further into the specialty foods market, either through product development internally or with acquisitions. Sales for Caliente Chili were \$3 million in 1983, and are estimated to be \$3 million to \$4 million in 1984.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$16,500	\$5,500
Magazines.....	9,878,500	12,536,500
Spot tv.....	2,934,900	3,931,709
Network tv.....	42,791,100	31,517,600
Spot radio.....	200,000	—
Network radio.....	868,300	248,300
Total measured.....	58,682,900	48,251,600
Unmeasured.....	1,581,500	1,342,800
Estimated total.....	58,264,400	49,594,400

Marketing Personnel

George Bunting Jr., president and ceo
Marvin L. Hathaway, exec vp-domestic/coo
R.G. Duke, senior vp-corporate level
F.J. Harrison, senior vp-mktg
P.M. Troup, vp-cosmetics mktg
R.H. Yeager, director-new prods
E.H. Levering, senior vp-sales
D.J. Galloway, director-mktg rich
M.G. Bowers, mktg director cosmetics
C.J. Busta, mktg director toiletries
Gordon L. Fowler, president, Caliente Chili
Thomas H. Nall, vp-mktg, Caliente Chili

Advertising Agencies

SSC&B, New York—Noxema skin cream, Cover Girl prods, new prods—F. Stone Roberts, exec vp; Neil Myers, senior vp-mgmt super; Ann Hughes, vp-toiletries; Donna Squilla, Susan Exum vp-acct supers; Jay Schreick, Sandra Lewit, acct super; Susan Quinn, Barrie Dolnick, Lisa Weatherford, acct execs; Mark Young, acct super-toiletries; Steve Deschenes, acct exec-toiletries.

William Esty Co., New York—Noxema shave cream, Lestoil, Caliente Chili, new prods—Richard Van den Bosch, senior vp-mgmt super; Steve Moynahan, vp-mgmt super; Mike Nelson, acct exec; Dennis Jordan, acct super.

J.C. Penney Co.

	1983	1982
Sales*	\$12,078,000,000	\$11,414,000,000
Earnings*	467,000,000	439,000,000
U.S. Advertising	292,451,000	230,000,000

*Worldwide

J.C. Penney Co., New York, the nation's third largest retailer, spent an estimated \$292.5 million on advertising in 1983, up 27% from the year earlier, in becoming the 19th largest U.S. advertiser.

Sales were \$12.078 billion in 1983, a 5.8% increase over 1982 and considerable improvement over the 0.4% increase of the year before. Earnings were \$467 million, up 8.6% from 1982. The stronger showing reflected both the turnaround in the retailing industry nationwide and changes in store format and product alignment under way at Penney's.

Penney's continued to show improvement through the first half of fiscal 1984 in which earnings were \$118 million, up 4.4%, on sales of \$5.81 billion, up 16.3%. However, included in the six-month's earnings figure was an 11% decline to \$49 million in second quarter profits which the company attributed to "early markdowns in summer and spring merchandise and higher spending for promotional activities."

Like its big brothers in the industry—Sears, Roebuck & Co. and K mart Corp.—Penney's continued to work

toward modernization of its stores in 1983, hoping through updated merchandise and floor arrangements to develop a more high-fashion image and expand its customer base.

In the alchemy of the modernized merchandise mix, Penney's has dropped auto services, major appliances, personal computers, paint and hardware, and lawn and garden products to expand its stock and presentation of apparel and soft home furnishings.

"We're not trying to get rid of the customers we've had. We're just trying to get more of them," said Penney's public relations manager Duncan Muir.

Forty larger Penney's stores in regional malls were modernized in 1983, and Penney's reported that, in those stores, sales increased about 15% over the previous year. Less dramatic interim modifications at 150 stores were completed in 1983, and similar face lifts were scheduled for 200 more stores this year.

The modernization plan for 1984 in-

cludes complete remodeling and merchandise upgrading at 34 more large Penney's stores at a cost of \$3 million to \$4 million each.

The retailer also plans to open 12 department stores in regional shopping centers, 35 smaller stores in geographic markets, 20 drugstores and 90 catalog centers in 1984 for the start of a four-year capital expenditures program estimated to top \$2.5 billion. Of that total, about \$1.5 billion is earmarked for modernization of existing metropolitan department stores at the rate of between 40 and 60 stores a year.

Long associated with a rather generic, middle-class America image, Penney's is attempting to nurture a more cosmopolitan image with more high-fashion brand names and an especially strong Italian accent on fashion apparel in promotions this fall.

Halston III, a lower-price fashion line under the haute couture designer name, is touted by Penney's as an example of its upscale efforts at merchandise mixing. In 1984, the retailer expects to offer select items in men's

wear and soft home furnishings under the Halston III label. Penney's also expects to expand the Lee Wright men's line now available in 500 stores.

The retailer plans a "Salute to Italy" promotion Sept. 16 through October in an estimated 450 stores. The Italian promotion—an added budget item to the chain's standard advertising and promotion budget—is to be supported by advertising designed to reach 32 million households. The campaign includes network tv commercials, preprints, newspaper advertising, a 48-page direct mail booklet to be mailed to 15 million credit customers, and publication of an Italian cookbook featuring recipes from well-known Italian-Americans and Italians.

Other "Salute to Italy" promotions include teams of Italian artisans demonstrating their crafts—from goldsmithing to glass blowing—in the stores, an exhibit of Italian photographs from *People* magazine, and personal appearances by Sophia Loren and Misses USA and Italy.

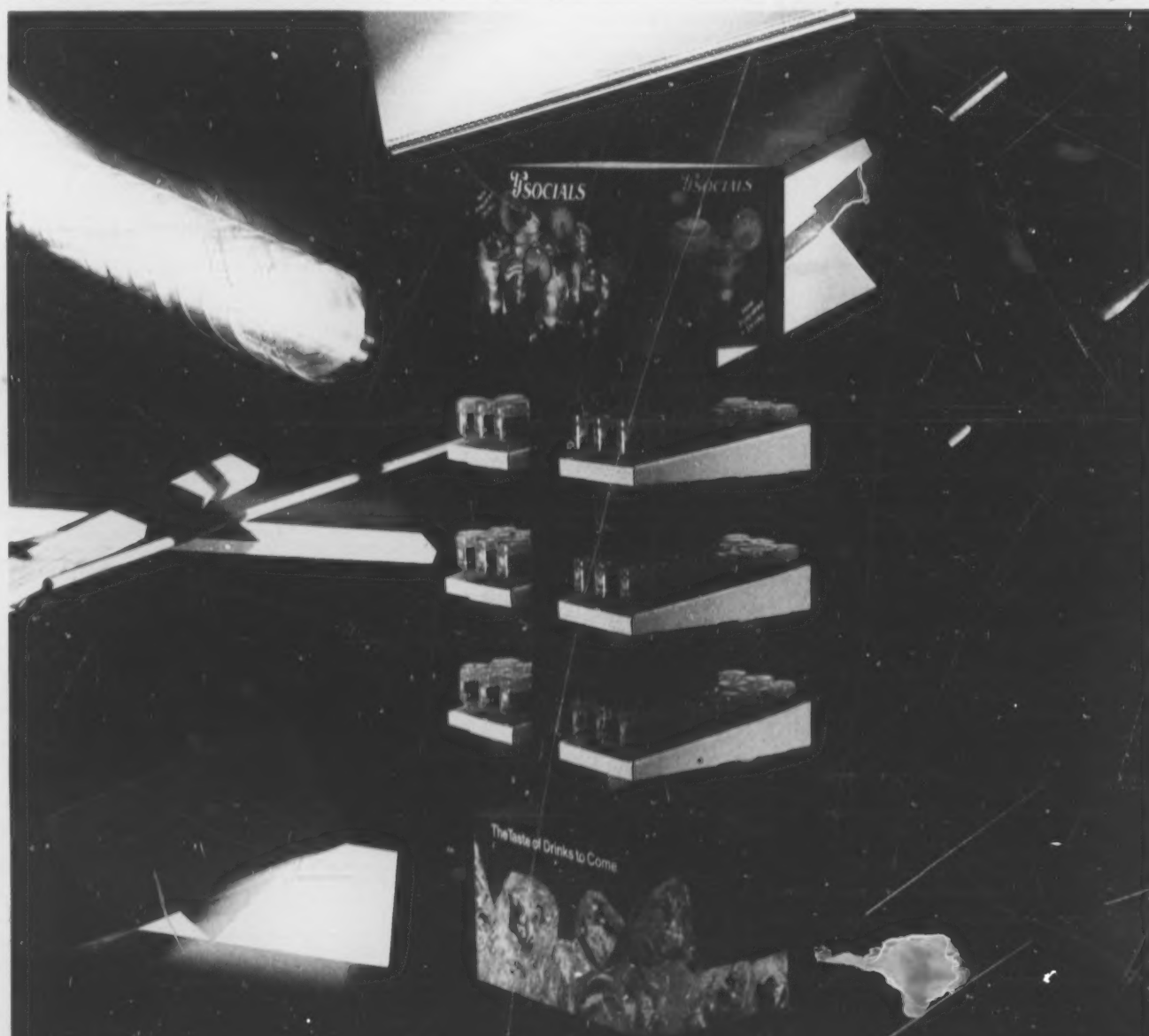
Penney's chose to highlight the Ital-

ian accent in merchandising to reflect the strong consumer interest in the styles and products in 1983, Mr. Muir said. "We had been having a lot of success with Italian merchandise and saw this as an opportunity we ought to seize on."

A major part of Penney's unmeasured media advertising total of \$222.3 million is in catalogs. In measured media in 1983, Penney's spent \$70 million as monitored by Leading National Advertisers. Among individual media, the mass merchandiser increased network tv expenditures by 34%, to \$31.9 million; magazines by 75%, to \$19.8 million, and increased spot tv by 9%, to \$18.1 million.

The retailer spent most heavily on advertising for sportswear, including \$10.8 million for family sportswear, up 2%; men's sportswear, \$6 million, up 43%; and women's sportswear, \$4.3 million, up from \$1.2 million.

Other leading ad expenditures for merchandise included women's shoes, \$2.8 million, up from \$124,000, and shoes for the family, \$1.1 million, up



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from \$354,500.

The retailer opened 35 stores and closed 69 in 1983. In 1984, in the course of its image makeover, Penney's severed its 14-year relationship with McCaffrey & McCall and took its \$50 million-plus account to N W Ayer.

Operating profits of J.C. Penney stores reached record levels, and sales in metropolitan stores increased 8.1%, to \$8.2 billion. Sales at soft-line stores dropped 6.3%, to \$800 million, primarily because 34 fewer stores are in operation.

Reflecting similar moves by its aggressive competitors both in the department and specialty retail business, Penney's moved to promote catalog sales more heavily. The company reported that 1983 catalog sales increased 7.6% over the previous year, to \$1.8 billion, and has become a targeted growth area for 1984.

Donald Seibert, chairman of the board-ceo for nine years and a Penney's employee for 36 years, retired in September, 1983, and was replaced as chairman by William R. Howell. John Lucas, ad manager, retired and was succeeded by Edward Haywood.

ADVERTISING EXPENDITURES

	1983	1982
Magazines.....	\$19,745,200	\$11,284,000
Spot tv.....	18,150,900	16,530,900
Network tv.....	31,857,700	23,790,500
Spot radio.....	197,700	737,700
Network radio.....	236,000	2,933,100
Outdoor.....	236,000	163,700
Total measured.....	70,188,300	54,710,700
Unmeasured.....	222,262,700	175,289,300
Estimated total.....	292,451,000	230,000,000

Marketing Personnel

T.S. (Terry) Prindiville, senior vp-director, corp mktg
 Lou Bremer, mgr-mktg communications
 Lanni Benson, director-visual mktg
 Edward Haywood, mgr-adv
 Jim Boynton, mgr-media services
 Bob Allen, mgr-corp mktg personnel and admin
 Karen Edds, mgr-merch publicity
 Bob Jung, mktg publications coordinator
 Tom Jewell, mgr-corp mktg projects
 Dean Clopton, mgr-presentation

Mal Bliss, mgr-packing and labeling
 Bill Speer, mgr-store devel
 Sid Stein, mgr-mktg rich & plans services
 Advertising Agencies

N W Ayer, New York—natl adv—Thomas Maxey, exec vp-exec acct director; Chuck Meding, senior vp-mgmt super; Agi Clark, senior vp-exec creative director; Janne Chenard, senior vp-creative director; J.C. Penney Financial Services—Joseph Della'Aquila, vp-mgmt super; John Nichols (insurance) and Jack Rayher (new business), vp-acct super.

D'Arcy MacManus Masius/New York—J.C. Penney catalog—Steve Seiter, senior vp-mgmt super; Don Cole, vp-acct super.

PepsiCo Inc.

	1983	1982
Sales.....	\$7,895,936,000	\$7,496,998,000
Earnings.....	284,111,000	224,288,000
U.S. Advertising.....	356,400,000	305,000,000

*Worldwide

PepsiCo Inc., Purchase, N.Y., the nation's 12th largest advertiser, increased ad expenditures 16.9% in 1983 to an ADVERTISING AGE estimated \$356.4 million.

Worldwide, the company spent an estimated \$472 million, a 15% increase from 1982.

The company's revenues of \$7.9 billion in 1983 were up 5% from the previous year. Net income leaped 27%, to \$284 million, a reflection not so much of growing strength as of the fact that last year's balance sheet included the cutting loose of \$79.4 million in assets of foreign bottling operations. Disregarding this unusual charge, net income actually dropped 6%.

Performance in the domestic food and beverage divisions was solid, with aggressive marketing securing PepsiCo's niche in the increasingly competitive soft-drink, snack and fast-food categories. Disappointing results from international operations—hampered by poor productivity, strong dollar and economic stagnation in much of the

world—accounted for PepsiCo's continuing inability to turn around its over-all financial picture.

Recovery in the international operations, however, was the key to the recovery PepsiCo enjoyed in the first quarter of 1984 when net income rose 27% from the first quarter of 1983, to \$47.2 million.

The company's marketing strategies are summed up by the phrase "expand and segment." The idea is to achieve growth by expanding the total number of consumers in a given category—soft drinks or snack foods, for example—with intensive advertising, while stressing the unusualness of each product to avoid cannibalization. The strategy is exemplified by the successful extension of the Pepsi name to five different soft drinks.

A brilliant glare of publicity surrounds Pepsi's current Michael Jackson campaign, which includes tv and radio spots as well as sponsorship of the Jacksons' Victory Tour. That glare obscures the fact that in 1983 the company de-emphasized its flagship brand, spending more ad dollars and scoring more creative success in campaigns for other products. Some \$23 million in measured spending in network and spot tv and outdoor went to promote Pepsi Free and Diet Pepsi Free, the company's entries in the caffeine-free category, introduced in 1982 to the tune of \$4.2 million.

Those two products beat Coca-Cola Co.'s caffeine-free Coke and Diet Coke entries to the marketplace, and together accounted for more than 50% of all caffeine-free colas sold, PepsiCo said. Coca-Cola disputed this claim, pulling out slightly different statistics to establish its own preeminence among caffeine-free colas.

The war of words reflected the importance to both companies of this growing category. It also reflected the difficulty of keeping score in a marketplace where lemon-lime, ginger ale, orange and other sodas all are heralding caffeine-free claims in their ads.

PepsiCo also put new money and creative energies into promotions for Diet Pepsi, spending \$20.6 million on tv spots as opposed to \$13 million in 1982. The new campaign featured quiet, low-key, slice-of-life situations, focusing on intriguing conversations where Diet Pepsi was a secondary subject. Tag line was "Taste. Improved by Diet Pepsi," a reference to the new NutraSweet formula introduced last year.

Measured spending on Pepsi itself dropped 13%, to \$22.8 million in 1983, according to Leading National Advertisers, as the company struggled to find a definitive creative image for the brand. Ads combining the "Pepsi Challenge" and "Pepsi Now" themes were perceived as ineffective, especially in the face of the "Coke is it" blitzkrieg. The result was the late-1983 signing of the Jacksons and the emergence in early 1984 of "Pepsi. The choice of a new generation."

The slogan tapped into older consumers' memories of the legendary "Pepsi generation" ads while appealing to younger consumers with the audiovisual excitement of the Jacksons. Pepsi also has signed a multi-million-dollar deal with Lionel Richie.

The Jackson spots drew so much attention, partly because of the incident where Michael's hair caught fire during filming, that the company went so far as to advertise the broadcast times of the spots in certain local newspapers. Cable tv's MTV:Music Televi-

sion ran a heavily promoted preview of the spots the night before their debut on the Grammy Awards telecast.

The real Pepsi success story of 1983 was in fountain syrup sales. In June, Burger King decided to replace Coke with Pepsi at its 3,200 fountains, citing better service, better prices and the marketing compatibility of wedding the No. 2 cola with the No. 2 fast-food chain. Wendy's International also replaced Coke with Pepsi at 150 of its company-owned stores, meaning Pepsi now serves almost 75% of all Wendy's outlets. These gains were particularly important in light of Burger King's and Wendy's strong push for a bigger share of the fast-food market.

All told, Coke brands are believed to hold slightly less than 30% of the market and Pepsi brands about 29%.

Pepsi introduced a new high-fructose corn syrup formula in 1983, a cost-cutting measure.

The company's two restaurant chains, Pizza Hut and Taco Bell, were bright spots in 1983. Average sales per restaurant grew 18%, with total revenue for the food service division topping \$1.5 billion and profits topping \$140 million. The continued success of the personal pan pizza, which brought the lunchtime crowd into Pizza Hut for the first time, combined with a growing carryout trade to lead the way.

The company also placed a stronger emphasis on physical improvements to Pizza Hut restaurants and on quality control. Measured spending climbed 25%, to \$47.3 million, with total marketing expenditures estimated at about \$60 million.

Taco Bell also recorded solid gains, adding 174 restaurants and introducing new products such as Taco Light. Mexican food is the fastest growing category in the fast-food industry; Taco Bell holds a 53% market share, with sales topping \$600 million in 1983. Measured media spending grew almost 40%, to \$18.7 million, in 1983, according to LNA, with total marketing expenditures expected to hit \$30 million in 1984.

Tracy/Locke-BBDO, Dallas, took over the Taco Bell account from Grey Advertising in January, 1983. Its first campaign, tag lined "Just made for you," marked the most intensive use of tv ever by a Mexican chain. The company expects to add 150 new stores this year, and up to 600 more by the end of 1986.

The food products division was a source of both profit and concern in 1983. Frito-Lay remained No. 1 among snack food companies, but slack performance abroad and the slow rate of growth at home were causes for worry, despite the profits of \$340 million on sales of \$2.4 billion.

Spending remained fairly constant, with most brands receiving moderate increases in support. Cheetos received a boost to \$8.3 million, from \$6.2 million, in support of an expanded line, while Lay's potato chips took a cut to \$2.7 million, from \$7.3 million, as the company readied its big gun for 1984: O'Grady's, a new potato chip entry heralded as the most important product introduction for Frito-Lay this decade.

O'Grady's, a "thicker, heartier chip" now moving into national distribution, is expected to hit \$100 million in sales this year. Frito-Lay is counting on the new chip to help it catch up to the growth rate of the rest of the snack-food industry.

Grandma's cookies, a soft and

chewy brand, is expected to help in the snack-food industry. LNA reported \$3.8 million in 1983 ad support for Grandma's, up 345% from 1982. The cookies were No. 2 in test markets in 1982, and the company expects the introduction to be completed by the end of the year.

PepsiCo slowly is expanding its line of La Petite Boulangerie bakeries, with 33 open in late 1983, 10 under construction, and 100 more expected to be built in 1984. By 1990, PepsiCo hopes to have 2,500 bakeries, all running on fat profit margins.

Wilson Sporting Goods did poorly in 1983, with revenues dropping to the \$250 million range after topping \$300 million in 1982 and 1983's \$20 million profit followed by 1983's \$10 million loss. The company has been slow to move out of wooden tennis rackets and into the growth areas of composites and large-head rackets, but now is doing so.

Golf equipment remained the most heavily advertised Wilson products, drawing \$4.6 million of the \$7.8 million expended on all Wilson products, according to LNA. New see-through packaging is expected to perk up sales of Wilson tennis balls, and growing consumer familiarity is expected to do the same for Sting and Ultra tennis rackets.

The company attributed Wilson's poor performance to increased competition, the implication being that younger companies are outshining Wilson in dealer service and product introduction.

PepsiCo sold North American Van Lines this past April for \$315 million to Norfolk Southern Corp., a Virginia-based railway company. North American earned \$25 million in 1983 on revenue of \$560 million, slight increases from 1982. The trucking company is considered sound and a good bet for growth; PepsiCo sold North American because transportation does not fit with the conglomerate's existing strengths or growth strategies.

Major changes in the PepsiCo executive suite marked 1983. John Sculley, president of Pepsi-Cola USA, left to head Apple Computer, and Roger Enrico took over. Terrance Collins became president of the food service division, replacing Donald Smith, who quit to assume the leadership of Chart House—a rival company that owns Godfather's Pizza and many Burger King franchises. Mr. Collins has been the leader of the bakery expansion at PepsiCo. Michael Jordan, former head of the international snack division, became president of Frito-Lay, succeeding Wayne Calloway, who became chief financial officer of the parent company.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$6,002,400	\$2,853,400
Magazines.....	3,894,600	9,417,300
Spot tv.....	121,847,100	87,728,200
Network tv.....	73,955,200	75,857,000
Spot radio.....	14,204,900	16,544,200
Network radio.....	916,300	2,781,700
Outdoor.....	1,923,500	1,133,500
Total measured.....	222,744,000	196,316,100
Unmeasured.....	133,656,000	100,683,900
Estimated total.....	356,400,000	305,000,000

PEPSI-COLA USA

Marketing Personnel

Roger Enrico, president-ceo
 Ron Tidmore, senior vp-sales
 John Costello, senior vp-mktg
 Dan Clark, vp-brand mktg
 Alan Pottasch, senior vp-creative services
 Henry Hayes, media director

PEPSI-COLA BOTTLING GROUP

Marketing Personnel

Robert G. Dettmer, president
 Craig Weatherup, senior vp-sales

Advertising Agencies

BBDO, New York—Pepsi-Cola, Diet Pepsi, Pepsi Free, Mountain Dew—Gary de Paolo, senior mgmt rep; William Katz, mgmt super; Stuart Russem, Jeff Mordoe, acct super; Stuart Marvin, Rich Kronen-gold, acct execs.

J. Walter Thompson USA, New York—Teem, On Tap root beer—Peter Schweitzer, mgmt director.

Conill Advertising Associates, New York—domestic Hispanic adv, all brands—Rafael Conill, chairman; Alicia Conill, president/creative director.

Mingo-Jones Advertising, New York—black consumer adv and special projects—Frank Mingo, president; Carolyn Jones, creative director.

Tracy-Locke/BBDO, Dallas—Pepsi Light—Ed Winter, vp; Bruck Orr, mgmt super.

People performs

"People has become Perrier's own selective form of 'television' ...it is the one place our disparate consumer target converges en masse."

—Barbara Long
 Marketing Director, Perrier Group

KNOW THY COMPETITION

See page 137



**PEPSI-COLA
INTERNATIONAL
Marketing Personnel**

Robert H. Beeby, president-ceo
Advertising Agencies
 BBDO International, New York—Bernard Lee, mgmt super; William Oswald, acct super; Tracey Gakle, acct coordinator.
 J. Walter Thompson USA, New York—Tony Clavall, mgmt super.

**PEPSI-COLA
BOTTLING INTERNATIONAL
Marketing Personnel**

Thomas J. Ratigan, president-ceo
 Christopher Filmer, mktg director
Advertising Agencies
 BBDO International, New York—Bernard Lee, mgmt super; William Oswald, acct super; Tracey Gakle, acct coordinator.
 J. Walter Thompson USA, New York—Tony Clavall, mgmt super.

**PEPSICO FOODS
INTERNATIONAL
Marketing Personnel**

John S. Pingel, president
 Robert A. Pene, vp-mktg
Advertising Agencies
 Tracy-Locke/BBDO, Dallas—David Novak, Mike Rawlings, intl coordinators.
 Young & Rubicam, New York.
 Foote, Cone & Belding, New York—John Howard, William McDonough, mgmt directors.

**FRITO-LAY
Marketing Personnel**

Michael H. Jordan, president
 Leo Kiely, vp-mktg
 Jack DeMarco, vp-sales
 Korr-Roschke, group mgr-mktg services

Advertising Agencies

Foote, Cone & Belding, New York—GrandMa's cookies, Fritos corn chips, Tostitos potato chips, O'Grady's potato chips—John Howard, group mgmt director; William McDonough, mgmt director; Fritos, O'Grady's and Tostitos potato chips—Chris Novak, acct director; Gary Gluck, acct exec.
 GrandMa's cookies—Michael Miller, acct director; Fred Langbecker, acct exec.
 O'Grady's, Tostitos potato chips—Leigh Hubler, acct exec.

Young & Rubicam, New York—Ruffles potato chips, Cheetos cheese puffs, Rolled Gold pretzels, new prods—John Glorieux, group director; Dave Cramoy, mgmt super; Peter Micholson, acct super; Paul Loran, Marcia Wasser, acct execs; Frank DeVito, group creative director; Clark Frankel, associate creative director.

Tracy-Locke/BBDO, Dallas—David Novak, mgmt super, Doritos tortilla chips, Tostitos tortilla chips, Baconettes bacon flavored chips, Funyons onion flavored rings—Mike Rawlings, acct super. Lays potato chips, Sun Chips, new prods—Denny Post, acct super; Scott Helbing, acct exec-Doritos; Peter Mitchell, acct exec-Tostitos; Terry Davenport, acct exec-Lays potato chips, Tobi Cox, acct exec-new prods.

PIZZA HUT**Marketing Personnel**

Arthur G. Gunther, president-ceo
 Michael Jenkins, senior vp-mktg
 Bud Gates, director-corp communications
Advertising Agency
 Foote, Cone & Belding, Chicago—Bruce Mason, senior vp-group mgmt super; Mitch Engel, acct super.

TACO BELL**Marketing Personnel**

Larry Higby, senior vp-mktg
 John Moorhead, vp-adv and promo
 Pat Morris, vp-field mktg
 John Lyon, mktg devel director
Advertising Agency
 Tracy-Locke/BBDO, Dallas—Rod Underhill, mgmt super.

LEE WAY MOTOR FREIGHT**Marketing Personnel**

Larry K. Yarbrough, exec vp-sales and mktg
 P.A. Fox, vp-sales
Advertising Agency
 Ackerman & McQueen, Oklahoma City—J. Nauser.

**NORTH AMERICAN
VAN LINES****Marketing Personnel**

Kenneth W. Maxfield, president
 Joseph D. Ruffolo, exec vp-household goods div
 Thomas P. Fagan, vp-sales
 Blaine Sowers, president-commercial transport div
 Michael Breslin, vp-sales, commercial transport div
 Rob Fletcher, director-natl acct sales
 Robert Lake, exec vp-genl mgr
 Rich Buckley, exec vp-genl mgr, high value prods
 Tom Harris, vp-genl mgr, intl div
 Tom Zirk, vp-U.S. sales, intl
Advertising Agency
 Doe-Anderson, Louisville, Ky.—Phil Payne, acct super.

WILSON SPORTING GOODS**Marketing Personnel**

Willard C. Korn, president-ceo
 John M. Craynor, senior vp-mktg
 Terry G. Lee, senior vp-sales
Advertising Agency
 Leo Burnett USA, Chicago—Bill Boris, Steve Gritton, acct supers.

Pfizer Inc.

	1983	1982
Sales*	\$3,750,000,000	\$3,496,000,000
Earnings*	447,100,000	332,800,000
U.S. Advertising	72,848,300	65,687,500

*Worldwide totals

Pfizer Inc., New York, the 83rd largest U.S. advertiser, increased its domestic advertising expenditures 9.6%, to an estimated \$72 million in 1983.

Worldwide earnings of \$447.1 million, up 35%, came on sales of \$3.75 billion, up 7.3% from the previous year. U.S. sales contributed \$1.95 billion, or 52% of the total.

The pattern of modest sales increases and escalating earnings continued into the new fiscal year. In the first quarter of 1984, worldwide sales were \$920 million, a 1% increase over 1983's opening quarter, and net earnings were \$127.7 million, up 15%.

Pfizer's businesses are grouped into five segments. The healthcare segment,

which includes hospital products and pharmaceuticals, is the largest and most profitable one. It has outpaced the company's other lines of business in each of the past several years. Sales for the segment in 1983 were up 11%, and it now makes up 62% of Pfizer's consolidated sales. It also accounted for 88% of the total 1983 operating profit.

The other segments (and the percentage of total sales they comprised in 1983) are: Agriculture (12%), specialty chemicals (11%), consumer (8%) and materials science (7%).

Pfizer's materials science segment scored an 8% sales gain; the specialty chemicals segment, a 1% gain; agriculture segment, a 2% decline. The consumer segment, which receives the bulk of the company's measured media support, posted a 6% sales gain, correcting the 3% drop it suffered in 1982.

The consumer business line has been restructured in recent years, and sales now are concentrated in the U.S. The two principal divisions are Leem-

ing/Pacquin and Coty. The domestic sales of the two constitute 85% of Pfizer's total consumer sales.

Leeming/Pacquin products include Ben-Gay analgesics, Unisom nighttime sleep aid, Visine eye drops, and Desitin skincare and baby care products, and Pacquin and Barbasol toiletry items. The Barbasol line was extended in midyear with the introduction of Barbasol glide stick deodorant.

Women's fragrances are Coty's largest product category. They include Emeraude, Sophia, Nuance, Wild Musk, L'Aimant and L'Origan. In the men's fragrance department, the Stetson line of men's fragrances were joined by a new Stetson stick deodorant and Musk for Men cologne spray. Sales of men's fragrances were up 21% last year.

New products for women last year included a new line of Airstun powders and Stop It! lip-line sealer.

Measured media spending for Pfizer's consumer products increased 10%, to \$42.8 million last year. The increase meant gains for network tv (up

\$1.5 million, to \$34 million), spot tv (which doubled, going to \$2.8 million), magazines (up \$3.4 million, to \$10.8 million), newspaper supplements (which tripled, going to \$1.3 million), and network radio (to \$500,000).

Ad spending for Ben-Gay, which got a \$1 million boost in measured spending, rose to \$7.3 million.

Visine spending was \$10.1 million, a 25% boost. This broke down to regular Visine, \$6.7 million, and Visine A.C., \$3.4 million.

Coty lipstick spending doubled to \$1.5 million, and Unisom's measured media budget increased to \$5.2 million. Coty Overnight Success facial cream was backed with \$1.5 million, and Pacquin body cream stayed steady at \$1 million.

Suffering big measured media budget cuts were: Emeraude, whose budget was cut in half, to \$3.7 million; Sophia, which received \$3.7 million, down from \$5.4 million; Nuance, whose 1983 total was \$1.3 million, a third of what it received the year earlier.

Sales were up for the Stetson men's

Overachiever.

*When the Census Bureau
planted Orlando in its new top
50 list, it came as no surprise.*

*Marketers have long stalked
Orlando for its exceptional
growth and sales activity.*

*Likewise, The Orlando Sentinel
for its ability to produce results.*

*But then Florida's fastest-
growing major newspaper has
always exceeded expectations.*

Call us on it. You'll see.

The Orlando Sentinel
Best Newspaper In Florida

Reach our local advertising offices by calling (305) 420-5101.
 Represented nationally by CWO&O Member SUNDAY MAGAZINE
 U.S. Census Bureau estimates for consolidated and metro

fragrance line, but the ad spending was down. The line received \$4.1 million in ad spending, down from \$4.6 million the previous year. It continues, however, to be the second most advertised men's fragrance behind American Cyanamid's Old Spice.

Barbasol continues as a nonadvertised brand.

In the healthcare business segment, Pfizer markets pharmaceuticals in several broad therapeutic categories. The major ones are antibiotics, which accounted for \$586 million in sales last year; anti-inflammatories, which accounted for \$415 million, and cardiovascular drugs, which accounted for \$325 million. The two largest pharmaceutical product divisions are Pfizer Laboratories and Roerig.

In the anti-inflammatories category, Feldene, an antiarthritic drug is the star. Of the category's total sales of \$415 million, Feldene accounted for \$386 million. It is Pfizer's single largest product and the world's top non-steroidal, anti-inflammatory drug.

Procordia, a cardiovascular drug, increased its U.S. sales 53% and totaled \$123 million in 1983, about one-third of Pfizer's total sales in its respective category.

Cefobid, an antibiotic launched in 1982, had sales of \$118 million last year.

All three—Feldene, Procordia and Cefobid—were introduced in the U.S. during the past two years and have been backed with trade and consumer ads.

Yet another new market entry is Glucotrol, an antidiabetic drug.

As part of a "Healthcare Series," Pfizer Pharmaceuticals has been running newspaper, magazine, tv and radio ads emphasizing how individuals can become partners with medical professionals in maintaining healthy life styles.

Looking ahead, Pfizer expects its hospital products group to be one of the big contributors to growth. Since entering the field when it acquired Howmedica about a decade ago, the group's sales have been growing at three times the rate of the company's consolidated sales. The group had sales of \$459 million in 1983 and was strengthened by the acquisition of Valleylab Inc., a manufacturer of electronic medical devices.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$1,322,900	\$428,000
Magazines.....	10,855,400	7,487,900
Print publications.....	1,522,300	1,672,000
Spot tv.....	2,860,000	1,499,800
Network tv.....	34,009,000	32,486,600
Spot radio.....	84,300	151,000
Network radio.....	444,400	75,000
Outdoor.....	7,200	—
Total measured.....	51,135,500	43,791,700
Unmeasured.....	20,948,800	21,895,800
Estimated total.....	72,084,300	65,687,500

AGRICULTURAL DIVISION

Marketing Personnel

R.M. Hendrickson, president
E.T. Hughes, vp-sales
R.N. Fountain, vp-mktg
J.F. Muren, vp-operations
R.A. Stacchini, mgr-mktg and mktg rsch
R.G. Klein, mktg mgr, animal health

Advertising Agencies

Barickman Advertising, Kansas City—animal health—Jim Aust, acct super.
Brewer Advertising, Kansas City—genetics—A.J. Adolfs, acct super.

LEEMING/PACQUIN DIVISIONS

Marketing Personnel

J.F. Harmon, president-consumer prods
J.F. Anderson, vp-mktg
T.F. Coughlin, vp-sales

Advertising Agencies

Avrett, Free & Ginsberg, New York—Unison—Don Badman, exec vp; Marlene Wheeler, acct super.
McCaffrey & McCall, New York—Bengay, Desitin, Pacquin, Pheban—Burtis Flounders, mgmt super; Janet Boyle, acct super.

Ted Bates Advertising, New York—Vaseline, Vaseline A.C.—Lee Hines, exec vp; Vickie Mendlesohn, acct super.

COTY DIVISION

Marketing Personnel

J.F. Harmon, president, worldwide operations-consumer prods
J.T. Markowski, vp-mktg
J.L. Abernathy, vp-sales

Advertising Agencies

Hicks & Greist—Sophia and cosmetics—Josann Avery, acct exec.
Warwick Advertising—Emeraude and Stetson—Pam Sarnoff, acct exec.
John Paul Ita Inc., New York—Nuance and Muks—Marc Engelsman, acct exec.

Adforce Inc., New York—Robert Geller, president; John McAvity, vp-broadcast; Martin Gennusa, vp-media.

CHEMICAL DIVISION

Marketing Personnel

F. Adams Jr., president
D.F. Farley, vp-operations
P.J. Regan, vp-operations
W.D. Benfer, vp-U.S. sales
F.P. Chapman, vp-field operations
Vincent DeGennaro, director-adv and promo

Advertising Agency

D'Arcy MacManus Masius, New York—F.P. Harvey, senior vp-mgmt super; Charles Rose, vp-acct super; D.E. Bray, acct exec.

PFIZER PHARMACEUTICALS

Marketing Personnel

S.G. Gilgore, president
J.T. Curti, senior vp-medical and pharmaceutical devel
J.N. Arvesen, director-mktg rsch/planning

PFIZER LABORATORIES

Marketing/Sales Personnel

W.C. Steere, exec vp-director, operations
G.N. Jortner, vp-mktg
W.J. Robison, vp-sales

Advertising Agencies

Klemmer Advertising, New York—Vibramycin, Terramycin, Oral Vistaril, other ethical drugs—Morgan Cline, president.
William Douglas McAdams Inc., New York—Diabinese—Eugene Fine, vp; Howard Mandelbaum, senior vp.
Dorritie & Lyons, New York—Minipress, Minizide, Feldene, Procordia, Renese—John Dorritie, president.

ROERIG DIVISION

Marketing Personnel

P.G. Tombros, senior vp-director, operations
K.L. Katen, vp-mktg
L.L. Larkin, vp-sales

Advertising Agencies

Robert A. Becker Inc., New York—Geopen, Geocillin, Antivert, Atarax—Doug Frank, acct exec.

Dorritie & Lyons, New York—Marax, Cefobid—Jim Streup, vp.

Klemmer Advertising, New York—Spectrobid—Jake Zahavi, vp-mgmt super.

PFIZER PHARMACEUTICALS

Marketing Personnel

F.D. Price, vp-director, operations
S.B. Harr, director-mktg and sales

Advertising Agencies

S.G. Weinstein Associates.
Altschiller Reitzfeld Solin/NCK, New York—Pamela Breeman, acct super.

MINERALS, PIGMENTS & METALS DIVISION

Marketing Personnel

D.R. Thacker, president
W. Nazarewicz, vp-minerals
H.W. Flandreau, vp-mfg
P.A. Guercio, vp-metals
W.M. Stephenson, vp-magnetic materials business devel
G.L. Metcalf, vp-pigments/magnetics
H.F. Stolte, mktg services mgr

Advertising Agency

Adforce Inc., New York (inhouse)—Robert J. Geller, president; John M. McAvity, vp-broadcast; Martin J. Gennusa, vp-media.

HOWMEDICA INC.

E.C. Bessey, president-cco
R.B. Whitman, senior vp
D.M. Fitzgerald, senior vp-worldwide orthopedics

Advertising Agency

Techni-Graphics—Hugh Phares, president.

QUIGLEY CO.

Marketing Personnel

J.P. Bartels, chairman
J.C. O'Donoghue, president
L.J. Holmes, vp-intl operations
D.J. Dreyling, vp-technical
R.M. Galloway, vp-sales and mfg

AD FORCE INC.

Personnel

Robert J. Geller, president
John M. McAvity, vp-broadcast
Martin J. Gennusa, vp-media

Pillsbury Co.

	1983	1982
Sales*	\$4,172,000,000	\$3,686,000,000
Earnings*	169,000,000	138,900,000
U.S. Advertising	190,994,300	170,427,700

*Worldwide, fiscal years 1984 and 1983 ended May 31.

Pillsbury Co., the nation's 34th leading advertiser in 1983, increased its ad spending 12%, to \$190.99 million.

Pillsbury recorded sales for its fiscal 1984, ended May 31, of \$4.17 billion, up 13.2% from fiscal 1983. Earnings were \$169.8 million, up 22.2%.

Pillsbury, like other flour and mix marketers, was hit late last year by the consumer scare concerning ethylene dibromide. The company said sales—particularly of Pillsbury Plus cake mix—were hurt substantially by the scare and have not yet recovered to their earlier volumes.

Measured ad spending for the Pillsbury Plus cake mix line during calen-

dar 1983 dropped 60%, to about \$1 million, as Pillsbury maintained third place in a listless cake mix market, behind Procter & Gamble's Duncan Hines line and General Mills' Betty Crocker brand.

In response to the national rollout of a new competitor, P&G's Duncan Hines frosting, Pillsbury reformulated its ready-to-spread Frosting Supreme line to an all-vegetable fat formula. The company increased ad spending by 30%, to \$4.3 million, to communicate the new formulation, advertised as creamier. The company's share of the \$220 million frosting market declined to 28%, from the 31% it had before the Duncan Hines introduction.

The company introduced a three-item line of dry mixes for yeast bread, under the Poppin' Fresh yeast bread mix label, early this year. Pillsbury pledged \$13 million in support of the line—the first dry product to carry the Poppin' Fresh name.

The company entered the wholesome snacks fray this spring by introducing a four-item line of Milk Break milk bars, advertised as having "a half a glass of milk in every bar." Pillsbury pledged \$16 million to the introduction. The company indicated Milk Break is only the first of several entries into the cereal-meal-bar category.

Last September, Pillsbury began a new ad campaign for its refrigerated products, featuring the signoff "mm...ah...oh...that poppin' fresh dough." Pillsbury put increased support behind its refrigerated biscuits and rolls as it introduced Pippin' Hot Loaf white bread dough nationally and then rolled out a wheat bread version during fiscal 1984.

Several other new products emerged from the refrigerated group during the year, as well. Last fall, the company introduced refrigerated Spread 'n Bake fudge brownies dough; this fall it plans to introduce Soft Bread Sticks, refrigerated yeast dough that makes bread sticks.

Pillsbury, which helped increase the pie crust category from \$101 million to about \$160 million now, cut back measured spending for All Ready pie crusts to about \$2.9 million in 1983, following its 1982 introductory spending of about \$4 million in measured advertising. The company said it lowered measured ad spending because it had achieved the desired consumer awareness level.

Measured ad spending for the Totino's pizza line more than doubled during 1983, from about \$1.5 million to \$3.1 million, as the company pushed its My Classic pizza, introduced in mid-1983.

Pillsbury this summer introduced its second nationally marketed product intended for microwave cooking—frozen microwave pizza—which joins microwave popcorn. The four-item pizza line is expected to be one of several new product lines under the Pillsbury microwave name.

Pillsbury lowered measured ad spending on its Green Giant entrees to less than \$250,000 in 1983, from \$1.7 million in 1982, as it prepared the fall introduction of its six-item line of StirFry entrees. Ad levels for 1984 are expected to increase as a result of heavy spending for StirFry entrees and for a new line of frozen entrees, New American Cuisine, now rolling out. The new entrees, each with less than 400 calories, are targeted to young, upscale, convenience-oriented consumers.

Green Giant introduced Nibbles corn and Early June peas with an improved butter sauce last September, and this summer entered nationally a six-item line of vegetables with a reformulated butter sauce. Pillsbury said the new vegetables in butter sauce line was prompted by the success of the two initial products, but it also came soon after General Foods' Birds Eye unit introduced its own six-item line of vegetables in real butter sauce.

Toaster strudel, a frozen breakfast pastry targeted to adults, finally was introduced this summer, after two years in test market.

Pillsbury's Haagen-Dazs unit this summer began an ad agency review. Haagen-Dazs also licensed its name to

Hiram Walker Inc. for use in a cream liqueur. Incumbent is Advertising Management, Brooklyn, N.Y. The ice cream maker spent less than \$200,000 in measured media in 1983.

In keeping with its previously announced plans, Pillsbury Co. purchased three small companies for its consumer foods unit during the past year. This spring, the company purchased Azteca, a Chicago-based marketer of refrigerated corn and flour tortillas. The Apollo filo dough business the company acquired earlier this year will expand Pillsbury's dough line, while the purchase of Sedutto Ice Cream Corp., a New York marketer of specialty ice creams primarily in mid-Atlantic states, was intended to enhance Pillsbury's presence in the food service segment.

Several management changes occurred in the consumer foods group this year, as George McCarthy, formerly vp-general manager of entrees, was named exec vp at Haagen-Dazs Ice Cream Co., and L. Thomas Gartner, formerly vp-business unit manager for basic foods, succeeded him. James T. Peterson, formerly director-operations analysis, succeeded Mr. Gartner.

Pillsbury's Burger King Corp. continued its solid growth pattern, with the \$3.43 billion in systemwide sales in fiscal 1984, up from \$2.8 billion in 1983 and \$2.5 billion in 1982. Pillsbury-controlled outlets generate about 25% of those sales. There were more than 3,700 units at the beginning of 1984.

Management changes at Burger King in April set the stage for the company to develop alternative restaurant concepts. The acquisition of other fast-food restaurant chains, probably involving fish, chicken or pizza concepts, was among the possibilities mentioned.

Kyle Craig, Burger King's former exec vp-director of marketing, who orchestrated the company's Battle of the Burgers ad campaign, left his post to become vp of the company's New York region. Industry observers speculated that Mr. Craig's new post was a steppingstone to a top executive post, possibly the presidency of whatever new restaurant venture Pillsbury inaugurates.

Don Dempsey, formerly marketing director for McDonald's Corp.'s Far East operations, succeeded Mr. Craig as director of Burger King's marketing department.

Burger King maintained its position as the second largest fast-food advertiser, trailing only perennial big spender McDonald's, while trying to close the gap. BK increased its tv spending 29%, to \$82.5 million in 1983. McDonald's, meanwhile, spent \$186 million on tv in 1983, a 22% increase.

In contrast to McDonald's, which has been shifting tv budgets in favor of network buys, Burger King has been increasing its local tv spending, which was 63% greater in 1983. Its network spending last year rose less than 1%, to \$35.6 million.

Burger King's advertising messages have continued the comparative positioning first introduced in late 1982 with the "broiling vs. frying" campaign. That approach has changed the nature of fast-food marketing, making specific points-of-difference advertising not only acceptable but necessary.

In a bit of serendipity, BK's aggressive advertising style led Wendy's to answer with its "Where's the beef?" campaign, which proved a bonanza for BK's closest competitor.

But that style also continued to work well for Burger King. According to market researcher GDR/CREST Enterprises, BK's customer traffic in 1983 was up 18.1%. That increase was second only to Hardee's, whose customer counts rose 21.7%, and better than Wendy's (up 9%). McDonald's counts actually dropped 1% in 1983, according to the CREST data.

To keep that growth pattern steady, Burger King launched a new flight of "broiling vs. frying" ads in the summer of 1984, backed with a \$40 million budget. One spot that parodied the children's show, "Mr. Rogers' Neighbor-

hood," was withdrawn when show host Fred Rogers registered a mild protest with Burger King.

In mid-1984, BK began using that comparative message in Europe, where it also is battling McDonald's for market share.

Like many other fast-food chains, Burger King has pursued nontraditional site alternatives for new-unit construction. But it was BK that landed the plum assignment. In June, it signed a franchising agreement with the U.S. Defense Department's Army and Air Force Exchange Service that could mean the opening of 185 lucrative restaurants in the next several years on Army and Air Force bases worldwide.

Also like its fast-food competitors, BK expanded its menu during the past year. In 1983 it introduced salad bars systemwide and promoted pita (pocket) bread as a salad holder.

Its other major addition was a full-scale move into the breakfast daypart, a market McDonald's and Hardee's have mined for years. Most Burger King stores introduced a croissant-based breakfast sandwich called the Croissantwich (intended to top McDonald's Egg and Sausage McMuffins).

A test of one-third-pound hamburger with fancy toppings was begun in Miami in 1984. The product can compete not only with McDonald's popular Quarter Pounder but also with the "gourmet hamburger" chains that began popping up in 1983. Tacos joined the BK menu in several South-west markets. The company says it has no immediate plans for expanding availability of either tacos or the one-third pounder.

Pillsbury also worked to reposition its two major dinnerhouse chains, Bannigan's and Steak & Ale. An \$8 million campaign for Bannigan's, themed, "Always among friends," broke in July, 1984. It replaced the "C'mon get happy" themed-campaign as the chain moved to present itself more as a restaurant than as a bar.

Steak & Ale, meanwhile, has changed its menu mix to include more chicken and seafood dishes as consumer interest in red meat has declined.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$917,300	\$2,134,300
Magazines.....	2,497,700	4,858,600
Spot tv.....	68,781,800	46,122,800
Network tv.....	74,336,500	72,942,800
Spot radio.....	9,639,600	6,130,300
Network radio.....	810,300	—
Outdoor.....	988,400	736,900
Total measured.....	149,971,200	132,914,900
Unmeasured.....	48,973,100	37,512,800
Estimated total.....	198,944,300	170,427,700

CONSUMER PRODUCTS GROUP

Marketing Personnel

John Stafford, president
Dickson Lewis, director-new business devel
Donald Osell, vp-mktg services
Ron Kos, director-adv services
Amelia Grinstead, mgmt-media services
Barry Schwabe, media mgr

DRY GROCERY PRODUCTS

Kent Larson, group vp-dry grocery
Dan Locke, vp-genl mgr, value added/specialty prod

Dudley Hauser, director-mktg, value added/specialty prod

James Peterson, vp-genl mgr, basic foods
Kin Carmody, director-mktg, basic foods
Kenneth Reis, vp-genl mgr, canned vegetables

Larry Wheeler, director-mktg, canned vegetables

REFRIGERATED FOODS

Thomas McBurney, group vp-frozen and refrigerated prod
Robert Lindsay, vp-genl mgr

FROZEN FOODS

Thomas McBurney, group vp-frozen and refrigerated prods

W. Richard Nickel, vp-genl mgr, pizza
A. Richard Anderson, director-mktg, pizza
L. Thomas Gartner, genl mgr, entrees

Tom Neidhart, director-mktg, entrees
Gary Kinsal, vp-genl mgr, frozen vegetables
Dave Webber, director-mktg, frozen vegetables

George McCarthy, exec vp, Haagen-Dazs
Steve Capece, director-mktg, Haagen-Dazs

RESTAURANT GROUP

J. Jeffrey Campbell, chairman-cco, Burger King Corp.

Jerry Ruenheck, president-cco, Burger King Corp.

Hal Smith, chairman-cco, S&A Restaurant Corp.
Michael Jenkins, president-cco, S&A Res-

Burger King Corp.

Burger King Corp.

Marketing Personnel
Don Dempsey, senior vp-director-mktg
Nick Castaldo, vp-adv and promo
Rae Hood Phillips, director-adv and promo
Scott Stubble, mgr-adv and promo
Greg Thomas, director-new prod
Mike McCaffrey, vp-mktg rch
Steve Rann, director-mktg rch
Barry Schwartz, director-mktg rch
John Weir, director-pr

S&A RESTAURANT CORP.

Marketing Personnel

Gary Satanik, director-mktg rch
Lane Cardwell, vp-mktg support
Bill Floyd, vp-mktg, Bannigan's
Tom McGrath, mktg mgr, Bannigan's
Norma Karter, promo mgr, Bannigan's
Scott Burcham, vp-mktg, Steak & Ale
Pat Gordon, mktg mgr, Steak & Ale

AGRI-PRODUCTS GROUP

Richard Coonrod, president

Advertising Agencies

Advertising Management, Brooklyn, N.Y.
—Haagen-Dazs—Roy Sloan, acct super.
Leo Burnett USA, Chicago—Green Giant
prods, refrigerated foods, Hungry Jack potatoes
and pancakes—Bill Boris, exec vp;
Edson Sessions, acct director.

BBDO, New York—cake and bread
mixes, frostings, All-Ready pie crusts, artificial
sweeteners, new prods—Robert Spoford,
mgmt super.

Paragon Cos., Minneapolis—Totino's
pizza, Fox Deluxe pizza, Heat 'n Eat pizza,
Pillsbury brand microwave pizza, popcorn
and pancakes, Margaret Bakers' cheesecake
—Gary Vars, exec vp; David A. Nickel,
vp/acct super; Eric Kercheval, acct super.

Ketchum Advertising, San Francisco—
family flour, Figurines, American Beauty
pasta, Milk Break milk bars, Poppin' Fresh
yeast bread mix, new prods—Robert
Kroyer, chief operating officer.

J. Walter Thompson USA, New York—
Burger King—Stephen G. Bowen Jr., senior
vp.

Pride, Barber & Pride, Minneapolis—bakery
flour, mixes and equipments, foodservice—
William Barber, president, director of
client services.

SSC&B, New York—Steak & Ale, Bannigan's
restaurants—Terry Rosenquist, mgmt
super.

Procter & Gamble Co.

	1983	1982
Sales*	\$12,946,000,000	\$12,452,000,000
Earnings*	\$90,000,000	\$66,000,000
U.S. Advertising	\$773,618,500	\$726,189,700

*Worldwide, fiscal years 1984 and 1983 ended June 30

Procter & Gamble Co., the 22nd
largest U.S. industrial corporation in
total sales in 1983, ranked No. 1
among leading national advertisers in
1983 with total advertising expenditures
of \$773.6 million, an increase of
6.5%.

The Cincinnati-based household
goods marketer had 1983 sales of
\$12.946 billion, up 4% from the previous
year. Worldwide earnings were
\$90 million, an increase of 3%; The
U.S. contribution to earnings was \$707
million.

U.S. earnings, a 7% decrease from
the previous year, largely were
depressed from heavy spending involved
in the expansion of four new consumer
products into national distribution.

Procter & Gamble reported worldwide
advertising and promotional
spending of \$915 million in fiscal
1983. At that rate, P&G will become
history's first billion-dollar-plus worldwide
advertiser at the end of fiscal
1984. In fact, analyst Hugh Zurkühlen
of Salomon Bros. expects P&G to
notch worldwide ad and promotion
spending of \$1.085 billion in 1985
(P&G's fiscal 1984 ends June 30,
1985).

Measured P&G advertising for 1983
in five print and electronic media plus
outdoor totaled \$650.4 million in the
U.S., up 6.7% from 1982. The remainder,
or \$123.2 million, was in unmeasured
advertising such as coupons,
samples, point-of-purchase, in-store
advertising, direct mail and cable.
Cable spending, for example, was
\$15.2 million (up 123.8% from 1982),
ranking P&G a notch behind the No. 1
cable advertiser, Anheuser-Busch, according
to BAR Cable TV Network Report.

U.S. net sales for P&G in 1984 fiscal
year were \$9.554 billion, 73.8% of the
worldwide total, and up from 72.9% of
the worldwide total in 1983. U.S.
advertising to sales percentage was 8.1%.

Going into fiscal 1984, P&G admitted

the year would be a tough one on
earnings because of dramatically increased
spending for new products, particularly
Always feminine-protection line, Liquid Tide,
Duncan Hines cookies and Citrus Hill orange juice.

Entering the \$1.3 billion feminine
protection market (napkins are two-thirds
of the market), the Always line of
feminine hygiene products is backed by
an estimated \$100 million ad-promotional
campaign.

Citrus Hill, P&G's entry in the orange
juice market (frozen, \$1.5 billion as a
category; chilled, \$980 million), has a new
version called Citrus Hill Select with
improved flavor, backed by a \$75 million to
\$100 million campaign. Both Always and
Citrus Hill break the record for the most ever
spent on a brand introduction.

Advertising expenditures for the six-
variety Duncan Hines ready-baked cookies
are not known, but are expected to fall
short of the amount spent on Citrus Hill
Select or Always, because P&G has low bakery
capacity and it must go slower than it usually

does in entering an already mature
\$4.2 billion market now dominated by
Nabisco Brands (40%), United Biscuits/
Keebler (12%), American Brands/Sunshine
Biscuits (8%) and Frito-Lay/Grandma's (7%
to 9%).

As in Duncan Hines cookies, ad expenditures
for new Liquid Tide are not known, but are
expected to be generous if one takes the six-
media 1983 spending of \$25.5 million for Tide (up
41.2%) as a measure. Tide is the biggest
seller in the general laundry detergent
category with a 22% market share, down
three percentage points from 1981.

The new product expenditures at
P&G have led the company to predict that
such expenditures possibly would cause
lowered earnings through the first half of
the current fiscal year.

"The trend in new product development
is here to stay," a P&G spokesman said.
"The double-digit earnings rate increases of
earlier years are gone for the present. P&G
is working for solid performance and growth,
but it cannot be concerned that the rate or

total percentage of growth may be lower
for the immediate future because P&G must
work in 5-10-year increments." Most analysts
expect the earnings rise to be in the 5% to
8% range.

In the \$700 million liquid laundry detergent
category, Lever Bros.' Wisk is first with a
33% share; P&G's Era Plus liquid is second
with 4.5%; Colgate-Palmolive's Dynamo is
third with about 2.5%. Era Plus was backed
by nearly \$19 million in measured advertising
in 1983. (Era regular and Plus spending
combined was up 46.2% over 1981.) Era is
P&G's No. 3 leading advertised brand.

Among P&G's 69 product lines, Pampers
disposable diapers, with a \$23.62 million
media spend, ran second to Tide (\$25.54
million) as P&G's top media advertiser in
1983.

Disposable diapers is a marketing area
reflecting the type of market building and
competitive pressures that are forcing P&G
to funnel additional ad expenditures into
many products, increase the product line in

whatever category and boost research and
development.

P&G via Pampers held a 77% share of
the disposable diaper market until the mid-
1970s, largely on the strength of its early
arrival in the category (1961) and sizable ad
outlays, but its share of market has eroded to
58% (40% for Pampers, 18% for its upscale
Luvs) compared with 17% for Kimberly-Clark's
Huggies brand and 25% for the private label
and store brands.

P&G counts on disposables for 17% of its
worldwide sales and 22% of its profits. This
loss of share in the \$1.2 billion market
means an estimated annual loss of between
\$20 million and \$30 million in pretax profits.
For 1984 and beyond, it is expected to regain
share because of its near-\$24 million ad
budget for the category's products, new design
and resealable tapes and Kimberly-Clark's
limited production capacity.

Such ad increases are elements of what
Hercules Segalas of Drexel Burnham Lambert
calls the flip side to the

U.S. SAVINGS BONDS GUARANTEE GROWTH.

**"New Variable Rate
U.S. Savings Bonds represent one of the best
all-around investments ever offered." . . .
Roger B. Smith,
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Roger B. Smith
1984 National Chairman
U.S. Savings Bonds
Volunteer Committee

"Your company's Payroll Savings Plan"

"Your company's Payroll Savings Plan provides extraordinary financial benefits for your employees with New Variable Rate United States Savings Bonds.

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"It's a crop that is bound to double . . . or better in just 10 years!"

"U.S. Savings Bonds are a unique investment. They're guaranteed to earn at least 85% of the average yield on 5-year Treasury securities. They're a way to build savings, thrift, and a stable future. They're easy to buy through Payroll Savings; just a few dollars a paycheck. And they're completely free of investment risk."

"Guaranteed to earn no less than 7.5% . . . without going out on a limb."

"Series EE Bonds are directly related to Money Market rates of return. Important to all is the fact that they are backed by the United States Government. Savers who hold their U.S. Bonds for five years or more are protected by a guaranteed 7.5% minimum return. Finally, the interest on bonds is federal tax deferred and free from state and local taxes, an unbeatable advantage.

"Start your company's campaign today and encourage your people to use the Payroll Savings Plan to buy U.S. Savings Bonds. Your local Savings Bond Representative will be happy to help you."

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ALL-AROUND
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offensive spending supporting P&G's marketing strategy and advertising—defensive spending "to catch up."

He said that during the 1978-83 period, P&G had poorer earnings in some major product categories, including soaps, detergents, diapers and paper products. During those same years of over-all increased P&G earnings, market share in some of the basic product lines fell to five-year lows. Increased ad spending was necessary to stop further erosion in market share.

The reasons for the erosion are varied:

- There has been stiffer competition from tried-and-true rivals such as Colgate-Palmolive, Lever Bros., P&G and Hunt-Wesson Foods, but also from newer competitors including Nabisco Brands, Coca-Cola Co. and Kimberly-Clark.

- Competitors have made inroads into P&G territory by improving their products, by aiming at single P&G products instead of making a full frontal attack on a whole P&G line, and by vigorously using sampling, coupons, price and other incentives.

- Competition is greater in some of P&G's international markets such as diapers in Japan, detergents and personal care products in Latin America.
- P&G has spent time and money on a number of products that didn't make it, including Rejoice liquid hand soap, Pace gel toothpaste and Rely tampons.

Although most P&G lines are up in market share, there still are a few market problems in some lines, including cleaning products. The bar soap market is down from the high levels of 1978-79, and it's not expected to show improvement in 1984. Lever Bros.' Dove has replaced P&G's Ivory as No. 1 in U.S. dollar sales. Ad dollars fell in 1983 for Camay, Coast, Ivory and Safeguard, but were up for Lava, Zest and Monchel, the new face and body bar. For the over-all category at P&G, ad expenditures for its bar soaps were down 1.8%, to \$55 million.

Other products in the laundry/washing/cleaning area are a mixed picture. Tide is still the largest selling laundry detergent, but its share is down from the 27% of 1975 to 22% now. Lever Bros.' Wisk liquid has replaced P&G's Cheer as No. 2 in the general laundry detergent category, and P&G's liquid Era Plus, with 4.5% of the liquid laundry category, is a distant second to Wisk's 33%. Total media advertising spending for P&G detergents was up 9%, to \$95.7 million in 1983.

P&G Cascade dishwasher detergent has 53% of the \$400 million powder market, but competition from Lever's newer Sunlight product is stiff. In the \$900 million dishwashing liquid market, P&G's Ivory is down from 17% of market in 1981 to 15% now, sharing first place with sister product Dawn. Lever Bros.' Sunlight liquid is in second place, dropping former second place holder P&G's Joy, with 12%, to third place, which it shares with Palmolive. Measured ad spending for P&G's dishwashing detergent category in 1983 is up 4.7%, to \$52.4 million.

Among P&G personal care products, toothpaste lines received reduced measured spending. Crest gel and regular was off 6%, dropping to \$37 million. Gleem spending was down 4.4% to \$8.2 million. In another area, the nearly \$600 million deodorant/antiperspirant market, the company saw its Secret line drop from a 12.5% market share in 1982 to 11.3%, and its Sure line from 13.6% to 11.9%. P&G countered with \$31.7 million, an increase of 6% in measured spending.

Although the consumer paper products market is slowing and P&G's 1983 measured spending in the category was down 4%, Banner compact-roll toilet paper and Merit towels, both in the generic mode, got larger 1983 ad budgets to beef up their 1982 intro spending level. Banner jumped 248.5%, to \$5.5 million, and Merit rose 76.4%, to \$1.04 million.

The \$4.5 billion coffee market, though low in growth, still stimulates the competitive juices, and P&G's Folger's still plays No. 2 to General Foods' leading Maxwell House. High Point instant decaffeinated has 4.7% of

its market. There is a new High Point ground regular coffee and a launch of instant High Point at the food-service level to compete directly with GF's instant Sanka.

P&G's use of new products and acquisitions to assure market hegemony are direct outgrowths of a strategy that has been developing for many years. Since mid-1982, P&G has introduced 11 products, and midway in fiscal 1983 there were 23 products at various stages of testing, including: Always feminine protection products, Banner toilet paper, Cascade lemon-scented dishwashing detergent, Certain lotion-moisturizing toilet paper, Cinch dishwashing liquid, Citrus Hill orange juice, Duncan Hines ready-to-eat cookies, Encaprin coated aspirin analgesic, High Point ground decaffeinated coffee, liquid Ivory soap, Ivory conditioner, Ivory shampoo, liquid Lava soap, Merit paper towels, Monchel face and body bar soap, Oasis deodorant/antiperspirant, Pringles Cheez'ums potato chips, Solo liquid detergent/fabric softener, liquid Tide, Aroma-Free Tide, Vibrant heavy-duty bleach, and Pine Spic and Spar.

Folger's decaffeinated instant coffee was introduced nationally last month without test marketing. The campaign, expected to attract \$15 million to \$20 million in spending, is being handled by Cunningham & Walsh. The introduction follows the rollout earlier in the year of several other products that skipped or sped through traditional product development marketing steps.

A major change in the P&G approach now is its telescoping of research and test-marketing time. A new product is likely to be out of the preliminary stages within six months to a year—hardly the nine-year test marketing trial that Pampers went through. The reason is electronics—the speed at which merchandising information can be incorporated into product design changes.

The so-called "profit locomotive" that will drive the company in the future is expected to be pharmaceuticals, according to one analyst who believes they eventually will account for 20% of P&G profits. P&G took a major step in this direction in 1982 when it acquired Norwich Eaton Co.

The first fruit of that \$371 million acquisition was the introduction this year of the arthritis analgesic product Encaprin, which has coated aspirin particles for controlled release. Estimates of its advertising budget range from \$20 million to \$30 million, with expectation that it may send shock waves through the analgesic market.

The Encaprin introduction follows the P&G methodology of using acquisitions as springboards to growth that may take three to five years to be realized, says analyst Jack Salzman of Smith Barney Harris Upham & Co. New products either have or will be coming from P&G's 1981 acquisitions that included the citrus processing business of Florida's Ben Hill Griffin Inc., Crush International, Tender Leaf Tea and Norwich Eaton.

As in product development, P&G is pushing creativity in advertising to get the fastest and most cost-efficient response. Network tv is not the only game in town anymore where until recently up to 80% of P&G's total advertising budget was spent.

Other media forms include participation in broadly syndicated tv programming and production of its programming for airing on cable.

Over-all, P&G spending for the six measured media dropped 14% for network tv in 1983 but increased 28% for spot tv, 15% for magazines, 10% for newspapers, 900% for network radio and 600% for outdoor.

ADVERTISING EXPENDITURES

	1981	1982
Newspapers.....	\$9,830,500	\$8,538,600
Magazines.....	40,184,900	29,969,400
Spot tv.....	229,244,800	178,882,200
Network tv.....	366,663,100	390,495,400
Spot radio.....	2,796,400	1,330,600
Network radio.....	1,504,200	166,200
Outdoor.....	190,600	31,300
Total measured.....	650,414,700	609,405,700
Unmeasured.....	123,203,600	116,704,000
Estimated total.....	773,618,300	726,109,700

Marketing Personnel

W.E. Forbis, vp-sales
W.P. Nock, sales mgr-beverage div
F.W. Caswell, sales mgr-beauty care div
M.E. Szymanczyk, sales mgr-bar soap & household cleaning prods div
A.H. Welch, sales mgr-packaged soap &

detergent div
J.K. Goodwin, sales mgr-paper prods div
T.A. Muccio, sales mgr-food prods div
G.M. Breissinger, sales mgr-health & personal care div
H. Tecklenberg, senior vp-Norwich div
J. Palmer, sales mgr-soft drink div

Advertising Personnel

R.V. Goldstein, vp-adv
B.L. Byrnes, adv mgr-beverage div
J.T. Smith, adv mgr-food prods div
R.J. Herbold, adv mgr-packaged soap & detergent div
L.R. Love, adv mgr-bar soap & household cleaning prods div
M.S. Levy, adv mgr-health & personal care div
T.A. Moore, adv mgr-beauty care div
W.J. Wallace, adv mgr-paper prods div
E.C. Strobel, mktg mgr-soft drink div
J.D. Henry, mgr-mkt rch dept
V.O. Hamilton, G.G. Carey, R.L. Wehling, div mgr-genl adv dept

Advertising Agencies

Benton & Bowles, New York—Bounce, Charmin, Crest, Dawn, Ivory Snow, Pampers, Scope, Wondra, Vibrant, Zest, Attends, Ivory shampoo, Pepto-Bismol, Dash, Oasis, Norforms, Always—T. Carey, senior vp-adv director; R. Hopple, senior vp-adv director.

Henderson Advertising, Greenville, S.C.—Chloraseptic, Head & Chest cold medicine—Howard Clark, senior vp-director acct services.

Lally, McFarland & Pantello, New York—ethical pharmaceutical prods—Ron Pantello, president; Beverly Breitenback, acct exec.

Leo Burnett USA, Chicago—Cheer, Era, Camay, Lava, Lilt, Secret, Gleem, Cinch, Pert, White Cloud—Peter M. Hustling, senior vp-client services director.

Compton Advertising, New York—Tide, Cascade, Crisco, Crisco Oil, Top Job, Comet Comet Liquid, Ivory bar & liquid, High Point, Duncan Hines cake, Frosting, brownie and muffin mixes—bar soap and household cleaning products.

Cunningham & Walsh, New York—Folger's, Certain, Crush, Hires, Sun-drop, Puffs, Citrus Hill—W. Albright, exec vp-adv group director.

Dancer Fitzgerald Sample, New York—Brigade, Bounty, Oxydol, Dreft, Luvs, Solo, Tender Leaf—J. Fuller, mgmt group director; J. Love, R. Pounder, mgmt super.

Grey Advertising, New York—Downy, Joy, Bold 3, Jif, Puffs, Duncan Hines cookie mix and ready-to-serve cookies, Puritan—H. Yager, exec vp.

Mandabach & Simms, Chicago—fats, oils and shortenings for foodservice—Lee Lippman, senior acct super; Jim Flurry, William Schoenwald, acct super; Joy Mizell, acct exec; Barbara Kaplan, asst acct exec.

Northlich, Stolley Inc., Cincinnati—coffee, cleaning prods, bar soaps for food service and lodging, coin-vended laundry prods—Bruce Mackey, vp-adv super.

Tatham-Laird & Kudner, Chicago—Biz, Head & Shoulders, Coast—John Wells, senior partner; Brian Hurley, Tom Hazlett, mgmt super; Mr. Clean, Biz—Tim Collins, senior partner. Ariel—Bob Cappelli, senior partner; Rawdon Parry, mgmt super.

Wells, Rich, Greene, New York—Pringle's, Safeguard, Sure, Prell, Spic & Span, Gain, Banner, Merit—J. Weinstein, senior vp-adv group head; S. Morvay, acct super; B. McGreevy, acct super.

Quaker Oats Co.

	1983	1982
Sales*	\$3,340,000,000	\$2,611,300,000
Earnings*	138,700,000	56,900,000
U.S. Advertising	148,441,650	106,071,500

*Worldwide, fiscal years 1984 and 1983 ended June 30.

Quaker Oats Co., Chicago, the 42nd largest U.S. advertiser in 1983, backed a strong financial performance for the year with estimated total advertising of \$148.4 million, up 40% from the previous year.

During much of this calendar period, Quaker was amassing total sales of \$3.34 billion in fiscal 1984, up 28%, and earnings rocketed to \$138.7 million, from \$56.8 million the previous fiscal year.

The lower fiscal 1983 figure reflects a writedoff of \$62.5 million caused by Quaker's divesting of its chemical and Mexican toy business and the closing of its small videogame cartridge business.

In November, Quaker chairman-CEO William Smithburg predicted an increase in worldwide advertising/merchandising support for all products of about 20%, to \$520 million for fiscal 1984. Quaker, by tradition, has been allocating a line amount of more than 16.5% of world sales to advertising and related promotional costs.

Quaker is structured into four major segments: U.S. grocery products, which produces nearly half of Quaker's total sales and almost two-thirds of its operating income; international grocery products, about one-third of sales and a fifth of operating income; Fisher-Price toy division, good for about 13% of sales and 10% of operating income, and specialty retailing group, about 5% each of sales and operating income.

Advertising support in 1983 was never more apparent than with new and revised products alone. Expenditures for new and revised products, most in Quaker's U.S. grocery products group, rose 28%, to \$66 million for fiscal 1983, the company said.

This year, Quaker came to the nation's retailers with perhaps the largest number of new products it ever has introduced in a single year. Some are new, such as Raisin Life; some are restaged and reformulated, such as Ken-L Ration Kibbles 'n Bits 'n Bits.

The list includes a new flavor of Quaker instant Oatmeal, peaches and cream; Choco Crunch cereal, chocolate cousin to Cap 'n Crunch; Granola Dips, chocolate-covered chewy granola bars; three new flavors of Quaker Chewy granola bars, chunky nut and raisin, peanut butter and chocolate chip, and a s'mores-like bar, chocolate, graham cracker and marshmallow; Mr. T cereal, a presweetened, T-shaped ready-to-eat cereal for children.

The company offered new dog foods, Ken-L Ration Puppy Kibbles 'n Bits 'n Bits 'n Bits, Ken-L Ration Snauzages, a sausage-like snack in beef and liver flavors, and Ken-L Ration 100 Percent Natural Treats dog biscuits. Other restaged and reformulated products were two pet foods, Ken-L Ration Love Me Tender Chunks for dogs and Puss 'n Boots Pounce for cats.

Also during the year, Quaker went into two test markets, Pittsfield, Mass., and Eau Claire, Wis., with three types of Aunt Jemima toaster/microwave pancakes—plain, buttermilk and blueberry. An earlier version was tested during 1981.

Quaker's Dallas-based subsidiary, Wolf Brand Products, introduced two new products in June 1984—Extra

The top 25 network radio advertisers

Rank	Advertiser	Expenditures (\$'000)			
		1983	1982	1983 as % of total advertising exp.	1982 as % of total advertising exp.
1	Jeffrey Martin Inc.	\$21,730.8	\$32,837.2	41.5	54.7
2	Sears, Roebuck & Co.*	10,628.5	11,073.8	1.5	1.8
3	Cotter & Co. (True Value)	9,647.8	7,460.8	N/A	N/A
4	American Telephone & Telegraph Co.*	9,511.6	7,319.3	2.1	2.0
5	General Motors Corp.*	9,410.7	7,883.1	1.6	1.4
6	Dow Jones & Co.	8,611.1	7,970.8	N/A	N/A
7	Warner-Lambert Co.*	7,822.8	6,558.4	2.3	2.2
8	Campbell Soup Co.*	7,429.3	9,738.7	5.7	8.0
9	Ford Motor Co.*	7,185.6	6,462.4	1.5	2.1
10	Anheuser-Busch Cos.*	6,913.6	6,326.9	2.4	2.6
11	Nabisco Brands*	4,695.9	8,878.5	1.3	2.6
12	American Home Products Corp.*	3,888.1	1,725.2	1.2	0.5
13	U.S. Government*	3,687.8	6,440.5	1.6	3.1
14	RCA Corp.*	3,303.9	1,205.9	1.6	0.8
15	Dart & Kraft*	3,161.1	977.0	1.5	0.5
16	American Express Co.*	3,031.2	N/A	2.8	N/A
17	Hartz Mountain Industries	2,977.6	4,657.1	N/A	N/A
18	Wm. Wrigley Jr. Co.*	2,908.0	1,733.2	4.5	2.6
19	Chrysler Corp.*	2,858.0	2,919.3	1.2	1.7
20	Schoenig Plough Corp.*	2,829.8	3,603.7	2.5	2.9
21	Purex Industries	2,787.6	1,725.4	N/A	N/A
22	Gillette Co.*	2,691.6	N/A	1.5	N/A
23	State Farm Mutual Auto. Ins.	2,662.7	2,073.5	N/A	N/A
24	Miles Laboratories*	2,660.3	N/A	3.0	N/A
25	American Honda Motor Co.*	2,636.1	1,238.9	2.3	1.3

Source: Net time and program costs from Broadcast Advertisers Reports and supplied to Leading National Advertisers

*Indicates a 100 Leading National Advertiser

Spicy Chili with and without beans—its first introductions in 16 years. Wolf Brand commands a 42.2% market share in its area of concentration—a six-state southwestern region (Louisiana to Arizona). In that market, Geo. A. Hormel & Co., the nation's over-all market leader, has a 19.9% share of market, and Beatrice Cos. subsidiary Gebhardt Mexican Foods has 10.4%.

From the Fisher-Price toy subsidiary, East Aurora, N.Y., came three new product lines in 1983, children's furniture, clothing and computer software.

Securities analysts looking at Quaker see a steady and calculated move toward new-product development and growth. John Bierbusse, assistant vp at Duff & Phelps, Chicago, expects total advertising expenditures for the U.S. grocery products group to increase \$70 million a year—about the same as this year, largely because of new product support. Ronald Morrow, vp at Smith Barney Harris Upham & Co., New York, said he believes that Quaker will continue ad spending increases, especially for food and the Fisher-Price subsidiary, but the increases will be closer to 15% a year than this year's 28% leap.

Quaker had good income and volume increases from its food service division, which supplies the food-serving industry with Quaker products and includes four groups: Bakery group (biscuits, crackers, etc.); Quaker base business (cereals, mixes, chili, frozen foods); specialty products distribution group (for products such as Knott's Berry Farm spreads), and Ardmore Farms, maker of portion-sized fruit juices.

The Stokely-Van Camp acquisition, in its first year of operation as part of Quaker, gave a good account of itself. Total sales for fiscal 1984 were \$467.3 million, and operating income was \$40 million. Both of the principal Stokely products, Gatorade thirst quencher and Van Camp's pork and beans, exceeded expectations for their sales volumes. Quaker purchased the Indianapolis food processor in July, 1983, for \$238 million.

In measured media advertising for 1983, Quaker spent more than \$4.7 million combined on the Stokely-Van Camp line, including \$836,600 for Van Camp's pork and beans and Van Camp's Beanee Weenee. Another \$3.87 million went for the four types of Gatorade, noncarbonated, carbonated, punch and instant.

Van Camp's pork and beans has about 33% of the \$465 million market for the category, the largest share of any canner. Although canned pork and beans is regarded as a mature if not static field, Quaker is expected to pursue a strategy of expanding distribution geographically—into the Northeast, for example—and switching from the short-term product management typical of that industry toward consistent volume and income.

For Gatorade, the trick will be to get the concentration out of just the Southeast and Southwest U.S. and get the product into the hands of women and children countrywide.

Sixty per cent of the thirst quencher now is sold in the Sunbelt states and 85% to "heavy users," mostly men. To get a bigger franchise in this \$1.03 billion single-strength juice drink category, Quaker will increase market support up to 50%, building in Gatorade's present strong markets while reintroducing it to other markets.

The Fisher-Price toy division, which accounts for about 13% of Quaker's sales, had a good year last year largely because of cost-cutting programs and a hot Christmas buying season for next Christmas by merchants. Sales in fiscal 1983 were up 14%, to a record \$383.4 million; operating income jumped 46%, to \$43.6 million.

Up to now, Fisher-Price has been serving a \$550 million toy market, but now is moving into other areas of merchandise for its young clients. Ad budget for toys and dolls was up 25% in 1983, to \$12.4 million.

Fisher-Price's first venture beyond toys is 10 new items in a line of juvenile furniture to be backed by heavy promotion, including in-store displays,

co-op advertising and programs for retailers. Also, the toy maker this year signed licensing agreements with the Activity Center Inc., New York, to design and market children's clothing. It inked a pact with Spinnaker Software, Cambridge, Mass., to market children's computer educational software under the Fisher-Price name.

In the clothing program, the Activity Center will make and distribute an innovative line of play clothes for children wearing 12 months to size 7. Fisher-Price is to get royalties based on estimated sales of \$15 million the first year. The Fisher-Price Learning Software will be available in 11 programs for two age groups, 3 to 8 years and 6 to 12 years.

Included in Quaker's direct-to-consumer division (also called specialty retailing group) are four companies, Jos. A. Bank Clothiers, Brookstone, Herrschner's and Eyalab Inc.

While Quaker has stated that the sales goal for the direct-to-consumer division was to be 20% of total Quaker sales, some analysts have been skepti-

cal about the possibility of reaching that goal. The division now is producing about 5% of Quaker's sales and 5.5% of the operating income, results that have been considered good. Sales are up 22%, to \$157 million, and operating income jumped 7%, to \$16.8 million. There is a belief among observers that if Quaker found a good mail-order company, it would be open to further expansion.

During the year, Jos. A. Bank, Baltimore-based and also strong in mail order, opened four new stores for a total of 19 on the Atlantic seaboard, in the Midwest and in Texas. Brookstone, a Peterborough, N.H., housewares and specialty-tool seller, also is in mail order as well as retailing, and this year opened five new stores for a total of 20 in the East, South and Midwest. The two companies had slight operating income declines in 1983, but they were offset by record results from Herrschner's mail order needlecraft business and the effect of including Quaker's newest acquisition, Eyalab Inc., in the totals for the retailing

group.

Quaker bought the Paramus, N.J., eyewear company in November, 1983, for about \$10 million. It liked the company's department store approach to selling optical goods. Eyalab's sales last year were \$10 million in four stores, and while there now are four U.S. optical chains, only 20% of all eyewear is sold through them. Eyalab since has opened three new stores for a total of seven.

For fiscal 1983, the total expenditures for Quaker advertising in six measured media is \$84.8 million, up 30% from 1982. Unmeasured spending is estimated at 75% of measured for Quaker.

Quaker's measured spending was down 28% for newspapers, to \$1.3 million; up 67% for magazines, to \$11.4 million; a dramatic 745% increase for outdoor, to \$387,800 and a 38.9% increase for network tv, to \$48 million.

Technically known as a flour and meal processor, Quaker has its strongest profit center in the foods division of U.S. grocery products. Within that

group are the Quaker hot cereals, which together lead the category in the U.S.

It is on this hot cereal foundation that the company is building various flanker products, such as the flavors of Instant Oatmeal, whose measured-media advertising is funded this year by a 17% increase, to \$6.6 million. Total for all the hot cereals is \$10.1 million, up 1% from 1982.

Far from such dominance but still impressive are Quaker's ready-to-eat cereals, which have a market share of about 9% to 10%. Measured total here is \$23.7 million for 1983, up 7% from 1982.

To counter its heavyweight competition in cold cereals, Quaker offers the Cap'n Crunch family and Halfsies with its half sugar/half NutraSweet formula, its "natural" granolas, and the Life series. After successfully marketing regular Life since 1961 and Cinnamon Life since 1980, Quaker went to a raisin addition to create another flanker because, in the past four years, the market share for fruit cereals has climbed

REPEATS

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That so many of our client colleagues rely on our promotion development and implementation expertise time after time is, we think, the greatest testament to the professionalism of Don Jagoda Associates. More meaningful than any claim to creativity, it's the indisputable proof that our programs work extraordinarily well.

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tions are alive here. They grow, they adapt to changing needs, they take on new dimensions that enhance their value. Because our staff is expert at every phase of distribution and retailing, we're able to intelligently work with, rather than for our clients, carefully custom tailoring promotions to their very specific current requirements.

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It's also much more professional.

(How do professionals structure sweepstakes? Send for Problem/Prevent Checklist)

sweepstakes



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45%, but for regular cereals it is up just 2%.

Similar reasoning created Granola Dippes backed by a \$24 million ad budget—more than for either Quaker's own Chewy Granola bars or General Mills' Nature Valley Chewy. The market segment for cereal meal bars has jumped 110% since 1980 and now stands at about \$385 million. Ad spending for Quaker Snack foods shot up 367% from 1982 and now totals \$13.4 million.

Quaker's business with the oatmeal, the Aunt Jemima mixes and Flake pie crust mix, the grits and corn meals is solid and cash-producing. Advertising for these products is down 16% from 1982, now standing at \$5.14 million.

Also good for growth is the pet food category, where a 37% ad spending increase for 1983 brought the total to \$10.6 million. Here, Quaker faces the near-\$5 billion market for pet foods and is bringing about a half-dozen new or revised dog and cat foods to the market in a single year. One approach Quaker is following is the value-added product for those pet owners who will pay a little more to pamper their pet. The Ken-L Ration pet food line was established in 1923 and acquired by Quaker in 1946. Quaker's share of the pet food market has dropped from 7.7% in 1982 to 5.6% in 1983.

Major changes in Quaker personnel for 1983 include the elevation of Frank J. Morgan from exec vp-marketing, U.S. grocery products group, to president-chief operating officer—the immediate associate of Quaker chairman-ceo William D. Smithburg; the naming of Charles E. Decker as vp-advertising, and the resignation of Dudley M. Ruch as vp-marketing research and his replacement by John Blair, already a Quaker staff member.

During fiscal 1983, Quaker made several changes in product advertising assignments and in ad agencies. Corn Bran cereal was moved from BBDO, New York, to Quaker's in-house

agency, AdCom, Chicago, where Gatorade also was assigned, and Celeste pizza was shifted out of AdCom to a new agency for Quaker, Backer & Spielvogel, New York, which also was assigned responsibility for a new-product category.

Granola Dippes went to J. Walter Thompson USA, Chicago. Another new agency for Quaker ad work this year is Tatham-Laird & Kudner, Chicago, which also has new product advertising. And the association with Zylke & Associates, Chicago, which handled chemical advertising, was ended when Quaker left that field by divestiture in 1983.

In February, Quaker announced it would build a new corporate headquarters in Chicago called Quaker-Riverfront Park, located two blocks east along the same north bank of the Chicago River where it currently is headquartered in the Merchandise Mart.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$1,341,000	\$1,865,500
Magazines.....	11,433,400	6,832,100
Spot tv.....	21,468,300	21,217,300
Network tv.....	47,988,300	34,541,700
Spot radio.....	2,213,000	159,900
Outdoor.....	387,000	45,900
Total measured.....	84,823,000	64,662,400
Unmeasured.....	63,617,850	41,409,100
Estimated total.....	148,441,650	106,071,500

QUAKER OATS CO.

William D. Smithburg, chairman-ceo

Frank J. Morgan, president-coo

U.S. GROCERY PRODUCTS GROUP

Marketing Personnel

Robert N. Thurston, exec vp

Charles E. Decker, vp-adv

J. Byron Felter, vp-sales

William P. Brown, director-media

Peter C. Consolazio, group mgr-promo

Max M. Lomont, vp-art and packaging

Katherine E. Smith, vp-consumer affairs

Food Division

H.E. Rhodes, president

James A. Criss, Philip A. Marineau,

vp-prod mgmt

Barbara R. Allen, M. Catherine Jaros,

Frederick J. Fritz, J. Scott Talgo, dir-

ectors-prod mgmt

Elaine D. Bolle, S.M. Posa, prod group mgrs

Pet Foods Division

Douglas M. Mills, president

Nancy S. Pitz, vp-prod mgmt

Peter J. Vitulli, director-prod mgmt

Angie Jarrett-Smith, prod group mgr

Wolf Brand Products

U.B. Shockley, president

Kenneth Barrons, director-mktg

Food Service Division

Russell L. Jones, president

Paul V. Baron, director-mktg

Robert D. Stoothoff, director-natl sales

INTERNATIONAL GROCERY

PRODUCTS GROUP

Fisher-Price

Paul E. Price, exec vp

R. Bruce Sampell, president

James R. Tindall, vp-genl mgr, U.S.

James Arnold-Baker, vp-mng director,

Europe

Sandra R. Danon, vp-U.S. mktg

David B. Fisher, vp-genl mgr, diversified

prods

SPECIALTY RETAILING

Richard Chollet, exec vp

Brookstone Co.

Douglas D. Anderson, president

Jos. A. Bank Clothiers

Leonard A. Ginsberg, president

Eyelab Inc.

Robert S. Hillman, Lawrence E. Kohan, co-

presidents

Herschners Inc.

Bob A. Thomas, president

Advertising Agencies

AdCom, Chicago—Cap'n Crunch, Mr. T,

presweetened cereals, Regular and Instant

Oatmeal, Corn Bran, Gatorade, Chewy

granola bars, new prods—Gary Bayer, president-

creative director; Joan G. Stark, vp-

media director; Dennis Roy, director-acct

mgmt.

Backer & Spielvogel, New York—Celeste

pizza and new prods—Ted Lamontagne, senior

vp-mgmt super.

BBDO, New York—Life cereal, Ken-L

Ration Tender Chunks, Puffed cereals,

Shredded Wheat, 100% Natural cereals,

Puss'n Boots cat foods; new prods—Rick

Swanson, vp-mgmt super.

BBDO Advertising, Chicago—industrial

cereals—Lee Wolf, acct super.

Berry-Brown Advertising, Dallas, Wolf

Brand prods, Quaker Corn Goods and Grits

—Robert E. Berry, chairman.

Campbell-Mithun, Chicago—food service

prods—David R. Seibel, president.

Conill & Associates, New York—His-

panic Advertising—Rafael Conill, presi-

dent.

Jordan, Case & McGrath, New York—

new food prods—Jack Taylor, exec vp.

J. Walter Thompson USA, Chicago—

Granola Dippes, Aunt Jemima breakfast

prods, mixes and syrup, Ken-L Ration dog

foods—Lloyd Stein, Ben Gilmore, senior

vp-mgmt super.

Tatham-Laird & Kudner, Chicago—new

prods—John Wells, senior partner.

Waring & LaRosa, New York—Fisher-

Price toys—Saul Waring, president.

Ralston Purina Co.

	1983	1982
Sales*.....	\$4,900,000,000	\$4,800,000,000
Earnings*.....	256,000,000	69,100,000
U.S. Advertising.....	285,667,400	220,000,000

*Worldwide, fiscal years ended Sept. 30

Ralston Purina Co., St. Louis, the 21st largest national advertiser, increased domestic advertising spending in 1983 to an estimated \$285.7 million, up 30% from 1982.

While 1983 net sales increased 2%, to nearly \$4.9 billion in 1983, net earnings soared to \$256 million, up from \$69.1 million in 1982, which includes writeoffs related to the divestiture of unprofitable businesses. Excluding those items, earnings were up 30%.

The country's top marketer of pet foods, Ralston Purina's operations comprise four main units: Grocery products, agricultural products, restaurants and diversified businesses.

Operating profit from grocery products, which include pet and human

food, reached record levels during the year, at \$327 million, up from \$84.2 million in 1982. Sales were down slightly because of the company's divestment of pet foods in several major markets overseas and reduced tuna sales prices of the company's leading Chicken of the Sea brand.

Several new products were introduced during 1983 and this year, including Alley Cat dry cat food in October and Donkey Kong Jr. cereal at the end of the year following the introduction of Donkey Kong Cereal in April. Only the latter, with measured spending of \$5.8 million, had enough time during the year to generate strong media support.

"We're concentrating our advertising on our major brands," said William Claggett, division vp-director advertising and marketing services.

That translates into the Purina dog and cat food lines and the company's Chex cereals, and it meant a more focused media mix that puts more emphasis on spot tv and magazines. Spot tv as a percentage of national media advertising rose from 20% (\$23.5 million) in 1982 to 25% in 1983 (\$35.8 million) as total buying in the media mix increased 25.4%, to \$146.5 million. Magazine buying was up 75%, to \$14.6 million. Network tv was up 14%, to \$94.4 million, according to Leading National Advertisers. Continuing the trend, Ralston Purina increased its spot tv spending 211% in the first quarter of the year.

"Our basic strategy is to manage our existing brands to optimize profitability," said William Lacey, president, grocery products division. "At the same time, we will continue to develop and introduce unique new consumer products, driven by a strong research and development effort."

New products introduced in the first nine months of fiscal 1984 promise to raise sales and earnings in the company's grocery products division even higher.

The products include S'mores chewy granola bar, which was distributed to a "substantial portion" of the country in July. MCA Advertising, New York, handles a multimedia campaign, estimated at between \$19 million and \$24 million.

Gremlins ready-to-eat presweetened cereal, introduced in July, is being promoted via Don Tennant Co., Chicago. Ralston licensed the name from Warner Communications' summer film. Advertising includes tv, newspapers and couponed Sunday inserts.

Among the Ralston product main line in the grocery group, dog and cat foods heavily influenced advertising spending. Leaders among cat products were Cat Chow with media spending of \$10.3 million, down 21%; Happy Cat Moist cat food \$12.9 million, unmeasured in 1982; Meow Mix brands \$8.2 million, down 5%, and Tender Vittles, \$8.5 million, up 4%.

Dog food brand leaders included Praise dry dog food \$10.7 million, up from \$2,400; Puppy Chow dry dog food \$8.1 million, down 7%; Purina Dog Chow \$7.4 million, down 30%; Chuck Wagon dog food \$6.7 million, down 19%; Hi-Pro dry dog foods \$4.6 million, down 2%, and Fit & Trim dry dog food \$3.6 million, up 227%.

Cereals attracted \$22.8 million in media advertising, up 70%, with emphasis on the Chex cereal line—\$15.7 million, up from \$7.3 million—and the Donkey Kong new product launch.

The company licensed the Cracker Jack name from Borden Inc. in the be-

ginning of 1984 and introduced Cracker Jack cereal to 40% of the country. Advertising, handled by TBWA, St. Louis, includes tv and print.

Operating profit from agricultural products increased significantly for the year, to \$105.6 million, up 9.3%, with a less than 1% increase in sales, to \$2.1 billion. Several new feed products and related services were introduced during the year, which contributed to the increases.

Although the company sold its 72-unit Continental Restaurant Systems division to Denver-based VICORP Restaurants in 1983, sales and operating profit from the restaurants reached record levels during the year, with sales of \$669.3 million, up 7.2%. Operating profit was \$58.5 million, up 25.6%.

The company's Jack-in-the-Box restaurants posted a sales increase per unit from \$613,000 in 1982 to \$700,000. A company spokesman said the increase was largely because of the introduction of new menu items such as Dinner-in-the-Box, nachos and shrimp salad. The chain consists of 780 units, and the company is planning to open "several" new locations by tie end of 1984.

Jack-in-the-Box media advertising also registered a sizable jump from \$8.8 million in 1982 to \$15.2 million in 1983.

Higher sales and operating profit from Ralston's protein technologies division were the major contributing factors to improved performance in the diversified businesses division of the company, which reported \$236.9 million in sales, up 9.2%, and \$33.6 million in operating profit, up 24%.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$3,170,300	\$2,588,700
Magazines.....	14,579,400	8,926,800
Farm publications.....	1,654,300	864,000
Spot tv.....	35,744,800	23,535,800
Network tv.....	94,438,500	82,570,700
Spot radio.....	8,829,500	5,756,900
Outdoor.....	287,300	135,700
Total measured.....	158,704,100	124,378,600
Unmeasured.....	126,963,300	95,621,400
Estimated total.....	285,667,400	220,000,000

GROCERY PRODUCTS

W.H. Lacey, president

Marketing Personnel

W.P. McGinnis, exec vp

W.M. Claggett, div vp/director-adv/mktg

services

T.E. Touhill, div vp/director-mktg, cat food

group

T.J. Casikanett, div vp/director-mktg,

breakfast food group

T.E. Block, director-mktg, dry dog foods

J.A. Nichols, director-mktg, new prods

and dog snacks

Advertising Agencies

Avrett, Free & Ginsberg, New York—Kitten Chow, Cat Chow, Sun-Maid instant hot cereal, new prods—Norman Sherman, senior vp/director-client services.

Don Tennant Co., Chicago—Praise dog food, Thrive cat foods, Donkey Kong, Donkey Kong Junior, Cookie-Crisp, Gremlins cereals, new prods—Allen Moser, vp-mgmt/director of client services.

Della Femina Traviano & Partners, New York—Meow Mix cat food—Matthew Mansfield, vp-mgmt super; Ken Gilbert, acct super.

Gardner Advertising Co., St. Louis—Pet Line, Puppy Chow, Fit & Trim, Alley Cat—John Fox, vp-senior acct director; Mark Harmon, acct director. Sea Dog—Bill Lahrman, vp and mgmt rep. Chuck Wagon, John Fox, vp-senior acct director; Ray McLaughlin, acct director; Jim Callahan, asst acct mgr. Bonz dog snacks—Jim Lucas, vp and acct director; Nancy Winchester, acct mgr.

MCA Advertising, New York—Mainstay dog food, Purina Hi-Pro dog meal, Ralston brand S'mores chewy granola bars and new prods—Warren Dechter, exec vp.

TBWA Advertising, New York—Chicken of the Sea tuna, Cracker Jack cereal, new prods—Serge Prengle, acct super; Sheila O'Brien, acct exec, new prods (dog food); Mark Polan, mgmt super; Marie Beltrametti, acct exec, new prods (cereals)—Bill Oakley, mgmt super.

Tatham-Laird & Kudner, Chicago—Happy Cat cat food, Top Secret cat litter deodorizer, new prods—John Wells, senior partner and group acct director.

Wells, Rich, Greene, New York—Purina Dog Chow, Butcher's Blend, Moist 'n Chunky dog foods, Tender Vittles cat food, Chex cereals, new prods—Jim Weinstein, senior vp-acct group head.

RESTAURANT DIVISION

FOODMAKER INC.

J.W. Goodall Jr., president-coo, Foodmaker

People performs

"People's the ideal magazine to reach the Baby Boomers... who set today's lifestyles and trends."

—Clint F. Rodenberg
Vice President
Product Group Director
Hennessy Cognac



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Marketing Personnel

R.A. Pearce, corp vp-mktg, Jack-in-the-Box
Advertising Agencies
 WRG/West, Los Angeles—Jack-in-the-Box—Barry Klein, acct super.

AGRIPRODUCTS DIVISION

W.M. Jones, president

Marketing Personnel**Chow**

B.M. Lutz, vp-director-mktg and rch

Advertising Agencies

Fletcher/Mayo, St. Joseph, Mo.—Ed Clement, acct super.

BFV&L Advertising, St. Louis—health industries—Tom Birkenmeier, mgmt rep.

Checkerboard Advertising Co., St. Louis (house agency)—Lifestyle horse feed, special projects, Hog Chow, Cattle Chow, Dairy Chow, Horse Care line.

Dorf/MJH, New York—prod publicity projects—Alex Stanton, acct super.

Valentine Radford, Kansas City—dealer adv—Alan McClure, acct super.

RALSTON PURINA**INTERNATIONAL**

P.H. Hatfield, president

Marketing Personnel

C.E. Scott, president-ceo, Ralston Purina, Canada Inc.

R.A. Green, director-mktg

D.A. Mefford, div vp-mng director, Agri-Products Europe/Asia Pacific, sales, mfg and engr

R.N. Morrow, div vp-mng director, Mexican div

L.A. Van Houten, division vp-mng director, South and Central American div

A.V.L. Brokaw, director-consumer prod mktg

DIVERSIFIED BUSINESSES**DIVISION**

P.H. Hatfield, president

Marketing Personnel

A.C. Edwards, div vp-mng director

J.V. Heinz, director-sales

R.M. Moeller, new business

Advertising Agencies

Burson-Marsteller, Chicago—protein systems—Erik Olson, director.

Mandabach & Simms, Chicago—food service—Ron W. Plummer, vp-director.

KEYSTONE

R.A. Maynard, president

J.D. Jones, vp

J. Pavisha, exec vp

Advertising Agencies

Heckler Associates, Seattle—Keystone—Terry Heckler, president.

Checkerboard Advertising Co. (house agency), St. Louis—media for Keystone.

RCA Corp.

	1983	1982
Sales*	\$8,977,300,000	\$8,016,000,000
Earnings*	240,800,000	222,600,000
U.S. Advertising	212,300,000	160,102,200

*Worldwide

RCA Corp., the 29th largest national advertiser, boosted its total ad spending 33%, to \$212.3 million in 1983.

On a global scale, RCA's 1983 revenues hit a record \$8.98 billion, up 12%, with sales in the U.S. accounting for \$8.01 billion, up 13%. Earnings in 1983 grew 8.2%, to \$240.8 million.

Advertising was up about \$25 million in measured expenditures—magazines, spot and network tv, newspapers and network radio—and about \$28 million in unmeasured media—direct mail, point of purchase, promotion and co-op advertising.

Several of RCA's leading products accounted for about \$15 million of the increase in measured media as monitored by Leading National Advertisers. LNA, which tracks six media, showed Hertz Rent-A-Car system spending \$12.2 million in 1983, up 27%; NBC Television Network, \$19.1 million, up 24%; RCA color tv sets, \$7.1 million, up 26%; RCA music service, \$6.6 million, up 214%; RCA Selectavision tv videotape system, \$3.9 million, up 584%. Another big advertised item, RCA videodisc system, spent \$9.6 million in measured media, down 3% from 1982.

RCA pointed out that it has improved its financial picture since 1981 by turning away from previous "overexpansion and overdiversification" efforts and returning to its roots, namely electronics, communications and entertainment.

During 1983, the consumer electronics, government systems, service company, records and broadcasting operations posted healthy sales and earnings results. The performance of those operations continued to gain steam into the new fiscal year. Net in-

come for the second quarter, ended June 30, soared 75%, to a record \$109.9 million, on revenues of \$2.48 billion, up 13%. For the 1984 first half, net income climbed by 75%, to \$160.2 million, as sales rose 15%, to \$4.85 billion. Broadcasting (NBC) and electronics operations (the latter paced by tv sets and videocassette sales) posted record sales and earnings results in the second quarter.

In 1983, consumer electronics and broadcasting continued to represent the two largest sources of RCA's revenues and profits (about 27% and 23%, respectively).

Other major slices of the RCA sales pie are transportation services and government electronics (each about 15%), commercial electronics (13%) and communications (4%). During the year, electronics sales totaled \$4.8 billion, up 11%, broadcasting approached \$2.1 billion, up 17%, and transportation services rose 3%, to nearly \$1.4 billion. Within electronics, RCA said its video products (meaning tv and vcr sets, cameras, disc players

and disc programs) topped \$1.6 billion, up from nearly \$1.4 billion in 1982.

The chief sour note of recent years has been RCA's SelectaVision videodisc venture, which suffered a "significant" loss in 1983 and was shut down earlier this year. That was the second disaster RCA suffered in the past year in the new video technology sector, the first having occurred early in 1983 with the folding of Entertainment Channel, a pay tv service in which RCA was a partner with Rockefeller Center TV. However, its videocassette operations and music video category are performing well. RCA also is among the eight companies approved by the FCC for entry into the potentially lucrative direct broadcast satellite business.

Even two noncore RCA businesses, Hertz Corp. and Coronet Industries, enjoyed record sales levels and healthy income gains; RCA recently sold C.I.T. Financial Corp. to Manufacturers Hanover Trust Co. for \$1.5 billion in its ongoing effort to concentrate its

focus; C.I.T. was not a heavy ad spender, having spent only \$700,000 or so in measured media during its last full year under RCA.

Lately, RCA has been saying Hertz, while not a core business, is No. 1 in its market and profitable, and thus transportation qualifies as a "dynamic" market, and one that "does not create a drain on RCA's management or finances."

Although RCA has pulled out of the videodisc market, it remains a major factor in home video, through both its SelectaVision vcr line and its joint global programming distribution venture, the Burbank-based RCA/Columbia Pictures Home Video (the latter listed by LNA as having spent just \$100,000 in measured media).

The latter's latest releases included the film "The Big Chill" and "Pat Benatar Hit Videos." Meanwhile, RCA, one of the first record companies to use video clips as a promotional tool at the retail point of sale, has formed RCA Video Productions, one of whose ambitious projects will be "the first

rock video cliffhanger action-adventure serial." Aimed at the cable, home video and possibly theatrical markets, this serial will be called "The Phantom Empire," starring a rock group of that name.

RCA, which was the videodisc market leader, estimated that consumers in the U.S. had bought 500,000 units of the hardware and 10 million program discs between the introduction of the discs in early 1981 through the end of 1983; 250,000 of those players were sold in 1983 alone.

As recently as May, 1983, Thornton Bradshaw—who will relinquish his RCA chairmanship within a year to Robert Frederick, president-chief operating officer—had predicted that RCA's disc operations could turn a profit in 1985.

Other industry sources, however, long had warned that the playback-only disc could not compete with the record-and-playback vcr industry. Indeed, RCA's vcr is among the beneficiaries of the bullish home video marketplace, where about 7 million vcrs

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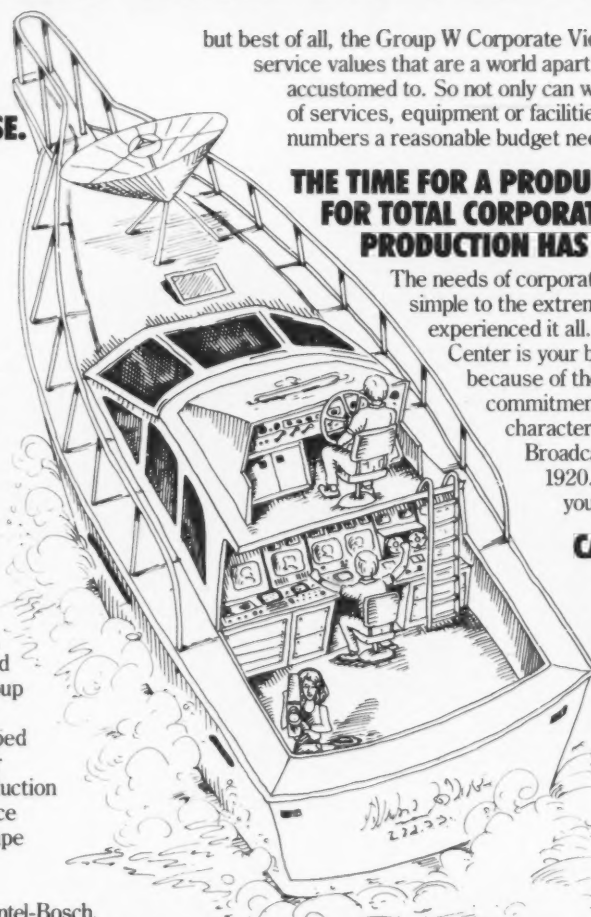
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were sold last year, well ahead of projections.

Looking ahead, Mr. Bradshaw indicated RCA may try the home computer and small-business computer markets. RCA first entered the computer field in the 1960s, via mainframe computers, but wrote that effort off in 1971.

The SelectaVision vcr's \$5.6 million in measured ad backing in 1983 included sizable outlays for the deluxe VKP900, with a budget described as well beyond the \$4 million spent to launch SelectaVision in 1977 and included not only the usual print but also tv.

Hertz, which ordered a record 154,000 new cars for its domestic fleet in the 1984 model year, spent \$12 million in the six media measured by LNA last year. It ended an admittedly costly gift giveaway program in mid-1983, one which was begun "to counter the effect of ongoing competitors' programs and to protect market share." Airline trips and videogames were among the gifts offered in the rental car companies' multi-million-dollar advertising; Hertz used O.J. Simpson and Arnold Palmer as spokesmen for the gift effort as well as other advertising run on tv and in in-flight airline programming.

Since then, Hertz has focused on service, value and product. Hertz, whose market share is estimated at about 38% of the rental car business, last year moved its Yellow Pages account (\$3 million in billings) to Doyle Dane Bernbach from Richard Bandler Co.

NBC tallied its highest profit ever with the tv network alone scoring record ad sales for the 11th consecutive year. For the 1984-85 season, the Big 3 tv networks all enjoyed unusually brisk upfront ad sales (advance, long-term sponsorship commitments made by advertisers for the upcoming season) in all major dayparts. In prime time alone, NBC booked \$800 million in upfront sales, which the network claimed topped its rivals' volumes.

The tv network allocated \$19.1 million in ad spending to magazines last year (primarily *TV Guide*); the radio network spent \$338,000 in measured media; the owned tv stations about \$99,000, and the owned radio stations nearly \$3.3 million (of which WYNY-FM, New York, received slightly more than \$1 million and WNBC-AM almost \$800,000). RCA Records spent \$2.4 million on its records and tapes, while RCA Music Service backed its record/tape club with \$6.6 million in advertising. RCA Direct Marketing spent \$1.4 million, with the book club operation allocating \$1.2 million. Direct Marketing was reorganized in May, 1984, to encompass the record/tape and book club operations.

RCA Records' major coup in the past year was the signing of singer Kenny Rogers to a recording pact. The best-selling artist recently scored with fellow RCA performer Dolly Parton on a hit single and album. RCA, a major factor in country music with those acts and others such as Ronnie Milsap and the group Alabama, also did well on the rock charts last year with Eurythmics and Hall & Oates, the latter getting an unusually hefty \$2 million-plus in ad and promo support for its greatest-hits album late last year.

RCA Records also has a major tie-in promotion, which began in June and will run through September, with Pepsi-Cola Co.'s Mountain Dew, whereby consumers can get discounts on specific albums. In June, RCA reached a preliminary agreement whereby its global record, music publishing and music video operations would be merged with those of West Germany's Bertelsmann AG.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$31,716,300	\$28,273,500
Magazines.....	35,301,500	23,362,100
Spot tv.....	10,430,900	8,776,700
Network tv.....	24,273,200	19,126,500
Spot radio.....	3,512,000	3,331,400
Network radio.....	3,303,900	1,205,900
Outdoor.....	385,900	298,700
Total measured.....	108,923,700	84,374,600
Unmeasured.....	103,376,300	75,727,600
Estimated total.....	212,300,000	160,102,200

Corporate Marketing Staff

Thomas B. Ross, senior vp-corp affairs
Samuel Convisor, staff vp-corp relations
Joel Wolk, director-adv, liaison & media services

Advertising Agencies

Needham, Harper & Steers, New York—RCA corporate adv—Peter Heinz, mgmt super; Jenny Johnson, acct super.
Uniwold Group, New York—RCA community affairs—Herb Kemp, president; Bernard Baskett, acct super; Wayne Shealy, acct exec.

CONSUMER ELECTRONICS

Marketing Personnel

Stephen S. Stepien, division vp-mktg
William S. Beres, vp-adv & sales promo
David Croner, vp-mktg operations

Advertising Agency

Leo Burnett USA, Chicago—Dennis Dunlap, vp-mgmt director; Jackson Brown, vp-act director-color tv and vcr; John Kerastas, acct exec, tv; Jim McNitt, acct exec, vcr.

RCA LTD. (CANADA)

Marketing Personnel

Laurence Small, retail & Canadian adv mgr

RCA SERVICE CO.

Marketing Personnel

E.A. Malm, div vp-telephone systems & data services
L.D. Chitwood, div vp-commercial prods mktg
R. Zieselman, mktg services mgr

Al Paul Lefton Co., New York and Philadelphia—J.W. North, mgmt super; Herb Rose, acct super; Robert Ellis, acct exec.
Richard Bandler Co., New York—William Young, vp.

DISTRIBUTOR & SPECIAL

PRODUCTS DIVISION

Marketing Personnel

D. Weisenstein, div vp-merch
A.D. Ricketti, mgr-adv & sales promo

Advertising Agency

Al Paul Lefton Co., Philadelphia—Ken Haverstick, acct exec.

RCA PICTURE TUBE DIVISION

Marketing Personnel

Charles A. Quinn, div vp-genl mgr
Robert Lorch, div vp

SOLID STATE DIVISION

Marketing Personnel

Lon Cantor, director-comms & adv
D.W. Ludlum, mgr-adv & sales promo, solid state

Advertising Agency

Cappiello & Chabrowe, New York—Terry Chabrowe, acct super.

RCA RECORDS

Marketing Personnel

John Ford, division vp-RCA Records, U.S. and Canada

Jack Chudoff, division vp-creative services

Lawrence Gallagher, vp-sales

Michael Omansky, director-mktg

Barbara Sisilli, director-adv media

Devarajan S. Puthukari, division vp-direct mktg

Advertising Agency

Grey Advertising, New York—Len Fogge, acct exec.

HERTZ CORP.

Marketing Personnel

Brian Kennedy, vp-mktg

Advertising Agency

Scali, McCabe, Sloves, New York—car div—Murray Gaylord, mgmt super; Steve Friedman, acct super.

NATIONAL BROADCASTING CO./

NBC ENTERTAINMENT

Marketing Personnel

Steve Sohmer, senior vp, NBC Entertainment

Robert Niles, vp-mktg

John Miller, vp-adv & promo, West Coast

Noel Engler, vp-adv & promo, East Coast

Jay Michels, vp-talent relations & creative services

John Luma, vp-on-air promo

Jennens Brewer, vp-print adv

Chuck Stepper, vp-special promo projects (West Coast)

Frank Pinturo, vp-special projects, adv & pub (East Coast)

Martha Stanville, vp-affiliate/promo services

Joseph Gerardi Jr., director-adv operations

Don Eddy, director-mktg services

Hal Alterman, director-mktg projects

Charles V. Blake, director-adv & publicity, East Coast

Paula Mermelstein, creative director, adv & promo, East Coast

Robert Blackmore, senior vp-sales, NBC-TV Network

Larry Hoffner, vp-natl sales, NBC-TV Network

Advertising Agency

Diener/Hausser/Bates, Los Angeles—NBC-TV Network adv—Barry Orell, acct exec.

BROADCAST SYSTEMS

DIVISIONS

Marketing Personnel

W.A. Taylor, div vp-mktg

Miles Moon, creative services mgr

Advertising Agency

RCA Creative Services (in-house)—Miles Moon, dept mgr; A.M. Hilliard, adv & sales

promo dept mgr.

RCA GLOBAL COMMUNICATIONS Marketing Personnel

Ken Gross, vp-mktg & sales

Dan Dwyer, senior adv rep

Jon Plet, senior adv admin

Advertising Agency

Ronald B. Mitchell Advertising, Bethesda, Md.—Ron Mitchell, president.

RCA AMERICAN COMMUNICATIONS Marketing Personnel

John Williamson, director-public affairs

Advertising Agency

Hammond & Farrell, New York—Jeff Kaumeyer, vp.

Ally & Gargano, New York—John Wood, vp-mgmt super.

GOVERNMENT

SYSTEMS DIVISION

Marketing Personnel

F.H. Stelter, div vp-mktg

J.G. Mullen, mgr, mktg rel & adv

N.F. Pensiero, director-public affairs

Advertising Agency

Al Paul Lefton Co., Philadelphia—Richard Rossi, acct exec.

Revlon Inc.

	1983	1982
Sales*	\$2,378,867,000	\$2,398,988,000
Earnings*	111,283,000	111,140,000
U.S. Advertising	123,968,889	112,952,100

*Worldwide

Revlon Inc., New York, the 53rd largest national advertiser, increased domestic advertising by 16.2% in 1983 to an estimated \$124 million.

Sales increased slightly to \$2,379 billion, up less than 1% from 1982, while earnings inched upward to \$111.2 million, from \$111.14 million.

This improvement, slight as it was, allowed Revlon chairman Michel Bergerac to tell shareholders, that Revlon began to "bounce back" in 1983. Slim proof of the turnaround were first-quarter 1984 results in which sales rose 2%, to \$564 million, from the first quarter of 1983, and earnings rose to \$24.5 million, up 3.4%.

The company's economic stagnation prompted numerous takeover rumors throughout the first half and into the second half of 1984, a pot further stirred by the addition of so-called golden parachute clauses to contracts for Mr. Bergerac and several of his key executives. A golden parachute is an extremely generous severance and compensation package for top managers should the company be merged or acquired and they are fired.

Revlon, segmented into beauty products and healthcare, budgets most of its advertising for beauty products.

However, its healthcare segment, marketing such items as soft contact lenses, lens solutions, NoSalt salt substitute, Oxy acne remedy and Tums brands, generated \$1.26 billion in sales (53% of the total) and split company-wide net income with beauty products.

The U.S. cosmetics division accounted for about 35% of earnings, while international cosmetics contributed 3%, U.S. ethicals 11%, international ethicals 13%, diagnostics 17%, optical 13% and other about 8%.

Worldwide ad expenditures were \$238.9 million, a 6.9% increase over the previous year.

Revlon, which recorded national measured media spending of \$80.5 million, up 22% from 1982, as monitored by Leading National Advertisers, concentrated \$28.2 million on cosmetics (makeup, eye makeup, lipstick, nail polish). The lion's share of that portion—\$19 million—went for the almost generic Revlon brand lines for makeup, mascara and nail polish, and \$4.2 million credited to the Ultima II cosmetic products line. Revlon spent \$18.1 million in measured media on cosmetics in 1982, which included \$2.5 million on Ultima II cosmetic products and \$2.5 million on the Natural Wonder line.

Measured spending for colognes and perfumes (Charlie, Chaz for Men, Bill Blass, Intimate, Ivoire de Balmain, Jontue, Scoundrel) totaled \$14.3 million. Jontue, Charlie and Scoundrel each received more than \$3 million in ad support. In 1982, colognes and perfumes attracted \$15.3 million in media. In department stores, Revlon sales give it a total fragrance share of

10% with such mainline brands as Blass and Balmain. Its share in mass merchandise outlets is 15%, down from 18-19% a year ago.

Revlon spent \$10.8 million on haircare products (shampoos, rinses, conditioners and hair sprays), with the biggest outlays assigned to Flex Balm and Protein Conditioner (\$4.9 million) and Flex shampoo (\$1.9 million). In 1982, \$8.7 million was spent on haircare products.

The company spent \$4.5 million on skincare products (creams and lotions, facial treatments), placing almost \$3 million of that on its European Collagen cream and lotion products, compared with \$3.9 million spent on collagen products in 1982.

In 1983, the beauty product category in the U.S. and abroad had sales of \$1.12 billion, down 3.5%. Operating profit dropped 10.2% to \$111.8 million. Beauty products, which have been steadily declining as a percentage of total company sales, accounted for 47% of worldwide sales; healthcare products contributed the remainder.

Healthcare products percentage of total sales have advanced from 47% in 1981 and 51% in 1982. Beauty product sales in the U.S. in 1983 were \$790.6, or 47.6% of total U.S. sales of \$1.66 billion.

Revlon's Group I, which sells mass market cosmetics and fragrances, saw sales of its European Collagen Complex skincare line and Pure Radiance makeup reach about \$20 million each in 1983. Revlon's three color cosmetics lines together had U.S. sales of more than \$135 million. But all three—Revlon, Moon Drops and Natural Wonder—continued to be under market share pressure in their respective cosmetics segments.

To strengthen its cosmetics business, Revlon, which still has the largest over-all cosmetics share in the U.S.—20% of makeup sales among the nation's drug, food and mass merchandisers—began paring back items in its lines, built a new 106,000-sq.-ft. cosmetics research center and began a new advertising campaign called, "We've got your color." Revlon also named model Kim Alexis as spokeswoman for Ultima II, part of Group III, in print advertising.

In Group I, Revlon introduced several new products, including Flex Appeal Lash Loving mascara, Custom Eyes eyeshadows, a personalized refillable eyeshadow product that allows consumers to select their colors, Skin Balancing makeup and European Collagen Complex Lip Repair cream.

Group I fragrance sales dropped during 1983, with Charlie now at about \$41 million, and Jontue at \$33 million. Only Scoundrel advanced at all, from about \$16 million in 1982 to \$21 million in 1983 with the help of new spokeswoman Joan Collins. However, Revlon began rolling national a sampling program designed to increase Jontue's sales and market share. In a Los Angeles test, it boosted Jontue's local market share to more than 9.5% in that market, according to Revlon execs. In 1983, Revlon spent \$5.6 million on Charlie, \$3.7 million on Jontue and \$3.9 million on Scoundrel nationally.

In early 1984, the company also introduced a new line of fragrances called Fleurs de Jontue, after first testing the scents in 1983. Group III sales rose over-all but weak sales of fragrances held the group's volume down.

Also in 1984, Revlon introduced Hair's Daily Requirement, a higher price shampoo and conditioner line than Revlon's Flex brand, whose shampoo has dropped from a 6%-plus share of market to less than 6% and whose conditioner has dropped from more than 8% to about 7.8%. Still, Revlon maintains that Flex shampoo is the leading cosmetic shampoo.

Overseas, Revlon introduced Ebene de Balmain, a new high-price men's fragrance.

About 74% of total earnings came from the U.S. and Canada, 15% from Europe, the Mideast and Africa and 10% from other parts of the world.

Worldwide net sales of Revlon's healthcare businesses rose to \$1.26 billion, up 6% over 1982. Operating

profit reached \$188.4 million, 17% more than 1982.

In the healthcare group, the big ad dollars supported such products as Tums antacid tablets (\$8.9 million, up from \$5 million), Esoterica face cream (\$1.3 million, down from \$1.7 million), Oxy-10 acne remedy (\$2.3 million, up from \$1.9 million), and NoSalt salt substitute (\$1.8 million, down from \$6.2 million).

NoSalt, a salt alternative introduced in 1981, had improved sales but has been a disappointment, according to retail sources who think it is possible Revlon may drop the brand.

Tums is being distributed in 1984 through Nabisco's Life Savers division, which should help boost its sales.

Vision care sales in the healthcare group rose 21%, to \$211.3 million, while operating income increased 34%, to \$40 million. The division's Hydrocurve lens products have maintained a 31% market unit share, according to Salomon Brothers analyst Diana Temple, compared with CopperVision's Permalens, which has built a 40% share since its entry in 1981, and Bausch & Lomb, which has built a share of 23% since its entry into the market in late 1983.

In dollars, Ms. Temple said, Hydrocurve has a 50% share due to higher prices. According to Revlon, Hydrocurve II 55 remains the most prescribed extended-wear soft contact lens in the U.S., and during 1983 the company increased over-all share as the No. 2 U.S. contact lens company. Revlon spent \$7.1 million in measured media to boost Hydrocurve in 1983, up from \$3.1 million in 1982.

Ms. Temple cited Barnes-Hind as the most disappointing segment of Revlon's optical group. The division's hard lens solution has a 35% market share, but the soft lens solution has only a 5% share, yielding for Revlon a 15% share in the total market for lens solutions. Barnes-Hind also provided only minimum ad support for its lens solutions.

In 1983, Barnes-Hind introduced a new extended-wear soft contact lens for astigmatism and a complete line of soft lens products for sensitive eyes.

In the Coburn Professional Products division, manufacturing techniques were developed that allowed Coburn to produce new and innovative implants (intraocular lenses). Coburn's Lens division introduced hard coated plastic lenses to reduce scratches and provide a more durable plastic lens.

USV/Armour, the ethical products division of the healthcare group, expects sizable sales from its newly launched Lozol, the first of a new class of drugs competing as a Step-I antihypertensive. Sales of Lozol reached \$5 million in 1983 but are expected to hit \$20 million by 1985. Armour strengthened its position as a leading company in the treatment of hemophilia with the introduction of Stimute, the first nonblood derivative product available for the treatment of mild to moderate forms of hemophilia.

Other developments include the launch of Calcimax, a calcium vitamin supplement.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$710,900	\$488,200
Magazines.....	16,401,700	14,229,200
Spot tv.....	15,401,900	15,760,900
Network tv.....	47,100,800	33,913,200
Spot radio.....	851,100	398,500
Network radio.....	1,413,700	1,709,300
Total measured.....	82,080,100	66,499,300
Unmeasured.....	41,888,789	46,452,800
Estimated total.....	123,968,889	112,952,100

REVLON INC.

New York

Marketing Personnel

Sanford Buchsbaum, exec vp-adv
George W. Feld, vp-adv services
Kenneth Angel, adv director
Anthony Cozzolino, media/budget director
John Maisano, president, Group I
Harvey Schwartz, president, Group II
Lawrence Wechsler, president, Group III

Advertising Agencies

Grey Advertising, New York—all Classic Revlon eye makeup, Natural Wonder prods, Flex, Hair's Daily Requirement, Jontue, Ivoire, Scoundrel, Eterna 27, European Collagen Complex—Robert Zimmern, exec vp.
50th Floor Workshop, Revlon's in-house agency—Revlon lipstick, nail enamel and face makeup, Chaz, Ultima II, Ciara,

Cerissa, Norell, Princess Marcella Borghese, Bill Glass—Martin Stevens, senior vp-creative services; George W. Feld, vp-adv services; Rita Grisman, vp-creative director.

Scali, McCabe, Sloves—Charlie, Mitchell—Phil Cohen, acct super.

PROFESSIONAL PRODUCTS GROUP

New York

Irving J. Bottner, president
Robert Crane, senior vp-mktg
Mitchell Levy, vp-creative services

Advertising Agency

Merchandising Workshop, New York—
Joanie Curcio, senior vp.

USV LABORATORIES DOMESTIC

Tarrytown, N.Y.

Marketing Personnel

James O'Brien, president
Robert Beckman, vp-mktg services

Advertising Agencies

Klemmer Advertising, New York—Hygroton, Regroton, Lozol, MVI—Jay Conlan, exec mgmt director.

Thomas G. Ferguson Associates, Parsippany, N.J.—Calimar, Nicobid, DDAVP—Jean Pankow, senior vp-mgmt super.

NORCLIFF-THAYER

Tarrytown, N.Y.

Marketing Personnel

Charles A. Pergola, president
Theodore N. Williams, senior vp
Lawrence D. White, vp-mktg
Frank J. Coppola, vp-sales

Advertising Agencies

Jordan, Case & McGrath, New York—Tums—Claudia Horty, senior vp.
Specht, Gilbert & Partners, New York—Oxy line—Don Gilbert, president; Robert Patton, partner.

Marschalk Co., New York—Esoterica, Nature's Remedy—Peter Detels, senior vp.
Cadwell Davis & Partners, New York—NoSalt—Bob Michaels, vp-adv super.

Carrafiello, Diehl & Associates, Irvington, N.Y.—A-200 Pyrinol, Liquiprin—John Muhlfeld, vp.

TECHNICON CORP.

Tarrytown, N.Y.

Marketing Personnel

Dr. Henry Simon, president
Frederick Stubbins, director-mktg communications

Advertising Agency

All advertising done in-house.

ARMOUR PHARMACEUTICAL

Tarrytown, N.Y.

Marketing Personnel

Jim O'Brien, president
Robert Beckman, vp-mktg and sales

Advertising Agency

Botto, Rossner, Horne & Messinger—Thomas Vargas, vp-account super

BARNES-HIND/HYDROCURVE

Sunnyvale, Cal.

Marketing Personnel

Kevin J. Ryan, president
Richard Wright, exec vp
George McCary, vp-mktg
Robert Pace, vp-sales

Advertising Agencies

Grey Advertising, New York—extended wear contact lenses and contact lens solution prods—Mike Ouimette, William Deval, vp-adv super.

Zechman & Associates, Chicago—specialist prods—Bud Davis, vp-adv services.

NATIONAL HEALTH

LABORATORIES

La Jolla, Cal.

Marketing Personnel

Robert E. Draper, president

Advertising Agency

All advertising is done in-house.

MELOY LABORATORIES

Springfield, Va.

Marketing Personnel

William Terry, president

ever, rose more slowly, gaining 5.6%, to \$835 million.

For the first six months of 1984, the company had earnings of \$406 million, up 10.3% from the year-earlier period, on sales of \$6.88 billion, up 3%.

Although the company has been diversifying its lineup for decades, it is becoming clearer that it wants to put its resources in consumer-product marketing. During the past year, RJR spun off its Sea-Land shipping unit into a separate company and considered selling Aminoil Inc., an energy subsidiary.

On the other side of the ledger, the company acquired Bear Creek Corp., the direct marketer known for its Harry & David fruit-of-the-month club, and Canada Dry, the beverage marketer. They join Del Monte Corp. and Heublein Inc. as acquisitions RJR has made since 1979. Speculation holds that another company, Buckingham Corp., a distilled spirits subsidiary of Beatrice Cos., is the next target.

The company's executives like to

portray their purchases as a strategy of filling in the spots necessary to power an increasingly marketing-driven company. The Canada Dry purchase from Dr Pepper Co., for instance, puts RJR into the soft-drink business to go along with the fresh and prepared foods and beverages brought by the Del Monte and Heublein acquisitions.

The Canada Dry move, which came in March, is significant for another reason, however. It brings to the RJR family a business that the company's chief competitor, Philip Morris Inc., has been in for years with Seven-Up Co.

Put the two companies side by side now, and there are striking marketing similarities, with each having tobacco, wine or beer and soft drinks as primary products.

But it is only in tobacco that the two companies match move for move. And here, 1983 marked the first time in decades that RJR, through its R.J. Reynolds Tobacco Co. domestic marketing arm, fell from the No. 1 slot. Philip Morris, slowly gaining market

share in recent years, managed to wrestle top honor by increasing its share to 34.4% of the market in 1983, compared with RJR's 31.9%.

The coup, however, came in a context that could not have cheered any cigarette marketers, which already are dealing with a slow-growth industry. Rising prices that were spurred by increased federal excise taxes and continued health concerns over cigarette smoking contributed to a slide in industry sales. John C. Maxwell, managing partner with A.G. Becker Paribas, New York, estimated that total domestic sales dropped about 4% from 1982, to \$95 billion units.

That may be a reason the biggest advertising splash RJR made during the year came not for any brand, but in a \$7 million corporate campaign addressing the smoking issue. Controversial ads, created by Leber Katz Partners, New York, called for "an open debate about smoking," presenting RJR's views on scientific studies, youth smoking, health hazards and other issues.

The ads touched off a flurry of angry responses, especially from the American Cancer Society, American Lung Assn. and American Heart Assn. They charged that cigarette companies were spending more than a billion dollars a year for advertising that "cons" adults and "brainwashes" children "before they can read. We don't need a debate on smoking."

Another nonbrand advertising issue of significance was the company's move this year to bring much of its media-buying operations in-house. Because RJR is one of the nation's largest advertisers, this strategy, which involves RJR's other subsidiaries and affords cost savings, could have far-reaching implications in the ad agency business.

More conventional advertising news, of course, came for the cigarette brands themselves. In 1983 and into this year, these ads and pr helped support new products RJR introduced in what have become the hot segments of the industry: 25-per-pack cigarettes, premium-image smokes, and generics or

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R.J. Reynolds Industries

	1983	1982
Sales*	\$13,533,000,000	\$11,491,000,000
Earnings*	\$35,000,000	791,000,000
U.S. Advertising	\$93,350,300	\$30,261,800

*Worldwide

R.J. Reynolds Industries, Winston-Salem, N.C., the nation's fifth largest advertiser, flashed its consumer-marketing power by increasing ad spending to \$593.4 million in 1983, up 11.9% from 1982.

Since the beginning of the decade, the tobacco company has proved to be an acquisition-hungry conglomerate with an appetite for consumer package goods. Merger partners have sated the hunger by feeding RJR a diet of food and beverage units until today the company counts more than 110 brands and lines in its corporate roster.

Those brands—from the familiar Winston cigarettes and Kentucky Fried Chicken to the more obscure T.J. Swann wines—produced sales of \$13.53 billion in 1983, an increase of 17.8% from 1982. Net earnings, how-

private-label brands.

Century, the 25-smokes-per-pack rolled out in July, 1983, is moving toward national availability, although state laws prohibiting unit sales in multiples of other than 10 have hampered expansion. RJR early in August began running national ads for the brand, available in 46 states. The company said that at the end of 1983, the brand had achieved a 0.8% share in the 34 states in which it was available. (A 0.5% share is considered a success by industry standards.)

Other marketers have introduced 25-per-pack brands. Brown & Williamson, Louisville, Ky., has been marketing Richland for about as long as Century has been on the market, and Philip Morris is coming out with a version for its flagship brand, Marlboro. The brands are positioned as "value" items because they sell for about the same price as conventional packs.

By its own standards, RJR has not supported Century with the kind of heavy advertising traditionally handed to a new product. In 1983, the company laid out \$13.2 million in measured media spending, divided among newspapers, newspaper supplements and outdoor.

By contrast, Bright mint-flavored cigarettes received \$40.3 million in measured media support. Introduced in 1982, the brand has had trouble making headway, mustering only a 0.3% share in the second quarter of this year, according to Mr. Maxwell.

RJR's new entry in the premium end of the market came in April this year with the national rollout of Sterling, a direct competitor to PM's Players. Advertising for the product, which registered a 0.5% share of market in the second quarter, seeks to give it a classy, elegant image.

In the generic-private label market, dominated by Liggett & Myers Tobacco Co., RJR is rolling out Doral as a branded smoke at a generic price. Though there are indications that the market is peaking, analyst Mr. Maxwell said he believes it could reach as much as 10% of all sales, compared with the 4.1% it now brings in. RJR expects it to peak at between 7% and 9%.

Doral was a brand given up for dead after it failed to succeed in its first incarnation and in a later reformulation as Doral II. The latest move with the brand is another attempt at taking advantage of the market segmentation that has colored the tobacco industry in recent years.

This new product activity is designed to bolster RJR's other brands, four of which are among the top 10 in the U.S. Each continued to receive relatively the same support in measured media ad spending from 1982.

Winston, No. 2 to PM's Marlboro, registered a declining 12.0% share, compared with Marlboro's nearly one-fifth of the market. As the company's biggest tobacco product, Winston received \$36.9 million in measured media ad support, the most among established brands.

Salem, No. 3 over-all and the best-selling menthol domestically, came in with an 8.2% share and \$34.6 million in support.

Camel, the long-established brand that has been the subject of renewed corporate attention in recent years, saw its share decline just slightly, to 4.4%. Ad support for the line amounted to \$25.8 million.

And Vantage, the low-tar entry, also witnessed a slight share decline, to 3.7%, with support reaching \$31.5 million. RJR also maintained about the same level of support for its other two brands—More and ultralow-tar Now—as it allocated last year. The More family, which includes the beige (soon to turn darker) More Lights, received \$27.7 million in ads. Now checked in at \$17.6 million.

These sizable outlays for cigarettes often overshadow RJR's activities in its other businesses, but the company is devoting considerable time to give them a distinctive RJR stamp. Foods and beverages accounted for 33% of the company's sales, compared with

only 23% just four years ago. Over the same period, tobacco's share declined from 62% to 54%.

Hence, the attention paid to such units as Del Monte Corp. In a continuing effort to streamline the Del Monte operation and give it marketing sustenance, RJR this year reorganized the specialty grocery products division. With products coming with the acquisition of Heublein, RJR sought to rationalize this business, not the least of which was to move headquarters from Farmington, Conn. (Heublein's headquarters), to San Francisco, combining it with the Del Monte frozen food group. The resulting combination was named Del Monte specialty and frozen food group.

The Del Monte brand continued to receive more marketing life, with RJR pumping \$12.3 million in support for the various lines. Almost half went to advertising for Lite canned fruit. Since being acquired by RJR in 1980, Del Monte's ad budgets have increased steadily.

The brand is attempting to enter the active frozen food category by gradually testing and expanding a midprice line. In addition, Del Monte is embarking on what it says is its largest vegetable advertising campaign in history, saying Del Monte vegetables are as nutritious as fresh cooked.

Among other specialty brands, RJR gave the most advertising support to A.1. steak sauce (\$9.3 million) and Hawaiian Punch (\$9.9 million), which became available nationally in aseptic packaging.

At Heublein, the continuing decline in distilled spirits sales has dulled prospects for the kind of growth the company would like to see, with Heublein spirits capturing a 2.1% share of the market in U.S. case volume.

The slow growth, exacerbated by intensive public concern about alcohol and moderation, prompted the introduction of lighter cocktails, including Smirnoff vodka and tonic, gin and tonic, Bloody Mary and others. The company professes to be pleased with their progress.

The best performing single brand—the one that showed the most growth, 20% from 1982, among all spirits with more than 1 million cases in volume—was Jose Cuervo tequila. The country's best-selling tequila, Jose Cuervo received \$2.1 million in measured support in 1983.

Smirnoff vodka, which experienced flat sales at 7.3 million cases, continued to be the company's top seller and No. 2 to Bacardi rum over-all. It also received the most support among Heublein spirits, \$9.5 million.

Black Velvet whisky, which received \$3.8 million in support, had 2 million in case sales, a slight increase of 1.1% in a category that declined 5.3% in domestic brands.

Heublein's wine operation also was hit hard by slow growth. In fact, Heublein divested its low-price wines and concentrated on its premium brands, primarily Inglenook.

Partly as a result, the nation's No. 3 vintner—behind E&J Gallo Winery and Seagram Wines—saw its market share decline from 8.7% in 1982 to 7% in 1983, according to Mr. Maxwell, who also tracks the wine industry.

Inglenook, the most heavily advertised wine in the company's lineup, received \$6.9 million in measured support in 1983, while Harvey's Bristol Cream sherry and Lancers were bolstered by \$3.4 million and \$3.2 million, respectively.

Heublein also is making a foray into the growing wine cooler categories by testing a brand called Citronet. It is this segment of the market that has helped save the entire wine market from declining.

The final consumer behemoth in the RJR family is Kentucky Fried Chicken Corp., which in 1983 had systemwide sales of \$2.6 billion, making it the third largest fast-food operation in the nation, next to McDonald's and Burger King.

KFC, with 50% of the chicken segment, has sales five times larger than its closest chicken competitor, Church's Fried Chicken. McDonald's is the second largest seller of chicken,

with its Chicken McNuggets.

KFC opened 322 new stores worldwide in 1983. KFC-USA itself opened 196 company-owned and franchised units, bringing the total to 4,471, of which 998 are company-owned.

The "do things right" company, after a period of top-to-bottom remaking, is on a solid growth curve. Sales rose 18% in 1983 from the previous year, compared with the 11% growth registered by the industry as a whole.

The one new product KFC introduced over the past year—with apparent success—is made-from-scratch biscuits. The company said it bakes more than 2 million biscuits daily.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$112,343,000	\$123,174,000
Magazines.....	155,062,800	111,102,600
Spot tv.....	39,642,000	47,738,100
Network tv.....	69,907,200	56,862,700
Spot radio.....	3,851,200	2,776,900
Outdoor.....	88,919,400	77,233,200
Total measured.....	469,725,800	418,858,300
Unmeasured.....	123,624,500	111,373,500
Total.....	593,350,300	530,231,800

R.J. REYNOLDS TOBACCO CO.

Marketing Personnel

G.H. Long, president-coo
John Winebrenner, group mktg director
John Shostak, brand mktg director
Jerry McKenna, brand mktg director
Dan Pearson, director-media
M.L. Orlovsky, senior vp-mktg
Harry Lees, vp-established brands
George Baroody, group director-mktg services
Sally MacKinnon, director-new brands
Sid Wooten, director-specialty tobacco
David B. Fishel, director-pr

Advertising Agencies

William Esty Co., New York—Winston, Salem—Laurence M. Wassong, exec vp-act group head; John E. Neal, senior vp-associate group head; Philip Shaner, Jim B. White, vp-act super.

McCann-Erickson, New York—Camel—John Bergin, vice-chairman; Edward G.A. Bathon, exec vp; Simon Marlow, senior vp.
Leber Katz Partnc's, New York—Vantage, More, Now, Bright, public issues campaign—Stanley H. Katz, chairman; Jerome L. Davidow, exec vp-director of client services; Robert Hirsch, senior vp-mgmt super; Janice Lee, vp-act group super; Richard Maddock, vp-act super.
Tatham-Laird & Kudner, Chicago—Century, smoking and chewing tobacco, special projects—Charlotte Beers, co-managing partner; Bill Youngclaus, senior partner, group act director; Bob Hielscher, Kirk Berland, senior partners; Jim Hill, acct super; Jerry Golinske, Steve Hanika, acct execs.

Ted Bates Advertising/New York—Sterling—Lawrence Light, exec vp; Sharon Mosse, senior vp-mgmt rep; Howard Sonner, vp-act super.

Long, Haymes & Carr, Winston-Salem, N.C.—Doral, special events—Donald N. Adams, exec vp-mgmt super; Francie Thompson, acct exec.

R.J. REYNOLDS TOBACCO INTERNATIONAL

Marketing Personnel

Lester W. Pullen, president-coo
Dale F. Sisel, exec vp
Rouben V. Chakalian, exec vp
Peter J. Hoult, vp-mktg
G.E. Harlow, mktg director-devel mktg
T.L. Ogburn Jr., mktg director-established mktg

Ron Field, director-pr
Advertising Agencies
McCann-Erickson, New York and international affiliates—Camel worldwide.

Other brands handled through a variety of agency assignments country by country.

DEL MONTE CORP.

Robert A. Fox, president-coo
Worldwide Fresh Fruit
Sam Gordon, president
Ben Klein, senior vp-mktg, beverages
G.F. Norwood, vp-mktg, pineapple

Frozen & Specialty Products
John Beggs, president
Charles Weiss, vp-mktg
John C. Mitchell, mktg director
Brenda Bock, mktg director

Franchise Beverage Products
Jack W. Argabright, president
Fran Mullin, president-Canada Dry USA
Roy Lockyer, president-Canada Dry, Canada

Neville Williams, president-Canada Dry Intl

Dry Grocery and Beverage Products
Fernando Gumucio, president
Stephen Rothschild, vp-mktg
Richard Lynch, mktg director-seasonal prods

Frank Cheli, mktg director-Hawaiian Punch
John Creel, mktg director-dry mix beverages, dried fruit, single serving

International Grocery Products
Robert Kroll, president
John Corbani, vp-mktg

Robert McDougall, mktg director-formulated and seasonal food prods
Don F. Chmiel, mktg director-beverages

Advertising Agencies

Marschalk Co., New York—A.1. Brer Rabbit, College Inn, Davis baking powder, Grey Poupon Dijon mustard, My-T-Fine, Ortega, Regina wine vinegar, Vermont Maid syrup—Dan Cohen, exec vp; Jeff Adams, senior vp-mgmt super; Jim Chandler, John Most, Barbara Cauffman, acct supers.

McCann-Erickson, San Francisco—canned fruits and vegetables, tomato prods, consumer promos—Ewan Macdonald, senior vp-dept mgr; Wayne Fulcher, Ross Heil, vp-act supers; Nancy Jamison, acct super.

BBDO/West, San Francisco—Del Monte juices, Hawaiian Punch—Joseph Barret, president-act group mgtm super; Walter B. Menzel, vp-mgmt super; Scott Lidley, acct super; Denise Bina, acct exec.

Young & Rubicam, Chicago—Canada Dry, Chun King, Del Monte Main Meals, Morton, Patio—Bill Thompson, exec vp; Steve Keenan, Jim Fisher, Duncan Pollock, vp-mgmt supers; Patricia Brichta, Harry Mosher, Sharm Healey, acct supers; Sara Hurlbut, acct exec.

Mandabach & Simms, Chicago—frozen foodservice—James Coari, vp-gen mgr; Robert Johnson, acct super.

DeVine & Partners, Norwell, Mass.—specialty grocery foodservice—Hugh DeVine, president; Matthew DeVine, vp-act super; Christine Kuendig, acct exec.

Caravetta-Allen-Kimbrough/BBDO, Coral Gables, Fla.—fresh fruit—John Powers, Jean Walker, vp-act supers.

HEUBLEIN INC.

Marketing Personnel

John A. Powers, president-coo
Robert M. Furek, exec vp-sales & mktg
William R. Henn, exec vp-devel
Barry M. Rowles, exec vp-intl
Ronald B. Schlossberg, senior vp-spirits mktg worldwide
Frank McCarthy, senior vp-wines mktg worldwide
James W. Marsh, senior vp-worldwide sales
David Eichholt, vp-mktg services
Erik J. Pierce, vp-pr
Robert M. Ward, director-adv services

Advertising Agencies

Marschalk Co., New York—Arrow cordials, Beaulieu Vineyard, Boggs cranberry liqueur, Popov vodka, Relska vodka, Smirnoff vodka, Smirnoff Silver vodka, Smirnoff de Czar Special Reserve vodka, Steel Peppermint Schnapps, Yukon Jack Canadian liqueur—Dan Cohen, exec vp-mgmt services director.

Laurence, Charles & Free, New York—American Creme, Black & White scotch, Black Velvet Canadian whisky, Centenario tequila, Club Cocktails, Harbor Lights, Heublein Cocktails, Irish Mist liqueur, Jeremiah Weed bourbon liqueur, Jose Cuervo tequila, Lancers wine, McMaster Canadian, McMaster scotch, Valbon wine—Martin Smith, exec vp; Robert Adler, senior vp.

Castor Spanish International, New York—Hispanic adv—Smirnoff vodka, Don Q rum, Jose Cuervo tequila, Black Velvet Canadian whisky, Viejo Vergel Mexican brandy—Castor Fernandez, president-creative director; Arturo Andrade, exec vp.

UniWorld Group, New York—ethnic and general adv—Smirnoff vodka, Harvey's Bristol Cream, Club Cocktails, Brass Monkey, Don Q rum—Byron Lewis, president; Herman Moles, vp-business manager.

Scali, McCabe, Sloves, New York—Harvey's Bristol Cream, Don Q rum—Sam Scali, vice-chairman-creative director; Richard Roth, exec vp-director; Ted Donohue, vp-mgmt super.

DYR, Los Angeles—Inglenook wine, Citronet—Richard Wittstadt, vp-media director; Bill Lyddan, senior vp-director of client services.

KENTUCKY FRIED CHICKEN CORP.

Marketing Personnel

Richard Mayer, chairman-coo
Robert Hiatt, president-KFC Intl
Donald E. Doyle, president-KFC Mgmt Co.
Richard Campbell, vp-Zantiago Restaurants
Mick McGraw, senior vp-Worldwide Services

Robert Lee, vp-field mktg
Scott Conner, vp-prod devel mktg
Gregg M. Reynolds, vp-public affairs

Advertising Agencies

Young & Rubicam, New York—Kentucky Fried Chicken Corp. national co-op and company-owned outlets—John P. McGarry, exec vp-group director.

Mingo-Jones, New York—Kentucky Fried Chicken Corp. black media—Samuel Chisholm, vp-mgmt super.

Richardson-Vicks

	1983	1982
Sales*	\$1,280,500,000	1,115,700,000
Earnings*	71,900,000	51,400,000
U.S. Advertising	150,813,900	129,289,400

*Worldwide, fiscal years 1984 and 1983 ended June 30

Richardson-Vicks, Wilton, Conn., the 41st largest national advertiser, in-

creased its domestic advertising to an estimated \$150.8 million in 1983, up 16.6% from 1982.

The acquisition of the Vidal Sassoon line of haircare products in May, 1983, and the accompanying ad expenditures, which included \$14.1 million in measured media spending for the year, accounted for most of the increase. Excluding Sassoon spending of \$14.2 million in measured media, the company is estimated to have increased its ad expenditures about 5%.

In 1984, ad spending continues on the upswing, thanks mostly to recent new product launches. The gains have restored it to the 1981 level (\$149 million), following the 1982 cut that dropped it 13%, to \$129.3 million.

During fiscal 1984, which ended June 30, 1984, worldwide sales were up nearly 15%, to \$1.28 billion, and net income rose sharply to \$71.9 million, up 40%, reversing two years of successive declines.

Fiscal 1984's gains—like the ad hike—came largely as a result of the acquisition of Sassoon and its annual sales of \$110 million. Also, because 80% of Sassoon's sales are domestic, the move has helped accomplish a Richardson-Vicks strategic objective of tipping the balance of over-all sales in favor of the domestic side. Domestic sales for fiscal 1984 constituted 60% of the total. In 1983, domestic sales reached \$570 million; 1984 sales are estimated at \$740 million.

The Sassoon acquisition was preceded by the January, 1983, purchase of the Pantene products line. Those back-to-back acquisitions, together with the July, 1982, purchase of the Mill Creek brand, established Richardson-Vicks as a major force in the \$3 billion a year domestic haircare market.

It's a presence that also covers each segment of the haircare market: The Sassoon line aimed at the mass market, the Pantene line aimed at the up-scale market, and Mill Creek for those who prefer natural products.

Its U.S. entry in the haircare field is new, but in European markets, the company's Hegor, Clearasil, and Petrole Hahn hair care products are established lines. More significantly, its entry in the domestic haircare market makes personal care the company's largest business segment. It now accounts for almost half of the company's annual sales.

At this point, Richardson-Vicks is well-seasoned in developing acquired product lines. With the exception of its original Vicks cold-care product line, it has entered all its other business segments via acquisitions. Historically, its most noteworthy acquisition is Oil of Olay (1970), which entered it in the moisturizers market. Before that, there were the acquisitions of Clearasil (1960), entry to the teen skincare business, and Fasteeth and Fixodent (1969), entering it in the denture care market.

More recently, there have been the acquisitions of Formby's line of home-care products (1978), launching it in the do-it-yourself market, and the Percogesic line (1982), dipping Richardson-Vicks into the analgesic market.

Along with acquiring product lines, Richardson-Vicks also has been busy home-growing them as it continues to broaden its product base. Its original cough and cold remedy base now accounts for about one-third of the company's total sales volume.

Since the start of 1983, Richardson-Vicks has entered the men's skincare market by introducing Saxon aftershave, the facial cleansing market with the introduction of Olay beauty bar, and the mass-market vitamin field with Lifesage multivitamins. It also went national with Tempo, its first entry in the antacid market, and strengthened its cough products line with Cremacat cough medicines.

Ad spending for new entries has been substantial and includes expenditures in 1983 of between \$6 million and \$7 million for the "Saxon reaction" introductory campaign, \$11.5 million for the introductory push for Lifesage vitamins, \$4 million for its opening ad splash for the Oil of Olay beauty bar, \$8 million in measured

media support for Tempo and \$4.6 million in measured support for Cremacoat.

The campaign introducing the four-formula Cremacoat line says it soothes and relieves coughs better than conventional syrups and that "four years of development and clinical testing proved it." The campaign got a big boost when its claims were substantiated by the National Advertising Division of the Council of Better Business Bureaus' monitoring program.

Richardson-Vicks' most heavily advertised product continues to be Oil of Olay, which received \$22 million in measured media spending last year, down from \$26.1 million, according to Leading National Advertisers. It remains the market's top seller in its category but dropped another percentage point in market share last year. Three years ago it had a 34% share of market. That went to 31% in 1982 and now 30%. Night of Olay cream was backed with \$2 million in measured spending, up from \$1.5 million.

In the skin medication sector, Clearasil was backed with \$3.1 million in measured spending, down from \$3.9 million.

Cold-care product sales for fiscal 1983 were flat for a second straight year because of the low level of flu incidence but for the just-ended fiscal 1984, sales are up. Nyquil, backed by \$7.8 million in measured media spending last year, down from \$8 million, held onto its market share. Formula 44D, backed with nearly \$6 million in measured spending, up from \$5.7 million, however, lost some ground. The Sinex nasal sprays line, meanwhile, was backed with \$3 million in measured spending, down from \$4.4 million.

Headway tablets, introduced two years ago with a big ad splash, had no measured spending in 1983. Also getting no measured support last year was a 1982 entry, Denquel, a toothpaste for sensitive teeth.

In the HomeCare Products Division, ad spending for the Formby's line of woodcare and refinishing products received \$5 million in measured spending, down from \$5.5 million. New lines of interior finishes also were introduced under the Formby's and Thompson's brand names.

Fixodent and Fasteeth sales were up. Together, they capture more than one-third of the denture adhesives market. Fasteeth was backed with \$1.5 million in measured spending and Fixodent with \$2.4 million.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....		\$14,200
Magazines.....	\$12,130,500	8,126,500
Spot tv.....	20,528,000	13,778,400
Network tv.....	59,139,100	48,475,600
Spot radio.....	812,000	168,000
Network radio.....	919,000	726,100
Total measured.....	93,929,500	71,289,400
Unmeasured.....	56,884,400	58,000,000
Estimated total.....	150,813,900	129,289,400

HEALTH CARE PRODUCTS DIVISION

Marketing Personnel

R.A. Ahrens, president-genl mgr
Stephen E. Bear, mktg director
W.J. O'Neill, vp-mktg director
W.S. McGranahan, vp-mktg service

Advertising Agencies

Benton & Bowles, New York—Lifestage vitamins, Cremacoat cough medicines, Day-Care cold medicine, NyQuil, Sinex, Vaporub, Vicks Blue cough drops, Victor's cough drops, Vick's cough drops—Richard Hopple, senior vp-acct director; Alan Goltz, senior vp-mgmt super.

Young & Rubicam, New York—Tempo, Formula 44D—Robert Gleckler, senior vp-mgmt super.

Slater Hanft Martin, New York—Percogesic analgesic—Jerry Martin, chairman-mgmt super; Rick Dorin, acct super.

PERSONAL CARE PRODUCTS DIVISION

J.D. Auty, president—genl mgr
P.L. Wilson, vp-mktg director
W.S. McGranahan, vp-mktg services
R. Rogge, vp-mktg director

Advertising Agencies

Benton & Bowles, New York—Clearasil, denture prods—Richard Hopple, senior vp-acct super; Pat Doody, senior vp-mgmt super.

Young & Rubicam, New York—Olay products—Robert Gleckler, senior vp-mgmt super.

North Castle Partners, Greenwich, Conn.—Lavoria.
Carrafello-Diehl & Associates, Irvington-

on-Hudson, N.Y.—Fasteeth, Fixodent, Complete, Denquel, oral health prods—Pat Mandarano, vp-mgmt super; Tom Heigl, acct exec.

Leber Katz Partners, New York—Saxon aftershave, Pantene prods—Cynthia Perry, acct group super, Vivian Loewenstein, acct exec.

VIDAL SASSOON INC.

Marketing Personnel

J.M. Solomon, president

Advertising Agency

Peter Rogers Associates, New York—Sassoon shampoos, conditioners, rinses, coordinators—Peter Rogers, president; Len Favara, creative director; Gerry Tabaczky, senior vp-acct services director.

NATURAL CARE

PRODUCTS DIVISION

Marketing Personnel

D. Hoffmeister, vp-genl mgr

R.E. Carter, mktg mgr

G.J. Grabner, natl sales mgr

J.T. BAKER

CHEMICAL CO.

Marketing Personnel

T.M. McGuire, chairman

B.M. Rein, vp-mktg, specialty chemicals

J.L. Zapf, director-mktg admin

Advertising Agencies

Cunningham & Walsh, Chicago—Andrea

Barr, acct super; Jim Davidson, mgmt super.

Stiegler Wells Agency, Allentown, Pa.—Daniel C. Wells, president; Jo Ann Petro, acct exec.

Rosston, Kremer & Slawter, New York—Abraham Kremer, president-acct exec; Paul Slawter, acct exec.

BAKER

INSTRUMENTS CORP

Marketing Personnel

J.R. Kelsey, president-genl mgr

R.A. Sullivan, vp-mktg

D.J. Hollan, vp-sales

M.G. Hossom, vp-mgr, chemistry systems

Advertising Agencies

Barbetta Miller, Fairfield, N.J.—Rebel

Robertson III, acct super.

HOME CARE

PRODUCTS DIVISION

Marketing Personnel

J.B. Cappio, president-genl mgr

J.D. Mitchell, director-mktg and sales

W.P. Melvin, director-mktg and sales

S.G. Staves, mktg mgr

B. Sharpe, mktg mgr

Advertising Agency

Slater Hanft Martin, New York—Formby's furniture refinisher, paint remover, Tri-Flow lubricant, Thompson's Water Seal—Jerry Martin, chairman-mgmt

super; Rick Dorin, acct exec.

VICKS EUROPE/-

AFRICA DIVISION

Marketing Personnel

J.R. Markley, president-genl mgr

N. Matt, mktg director

AMERICAS/FAR EAST

DIVISION

Marketing Personnel

L.P. Mattis, president-genl mgr

C. Nash, exec vp-mktg director

W.A. Crowther, mktg director-communications

P. Draper, director-mktg rch

Schering-Plough Corp.

	1983	1982
Sales*.....	\$1,808,500,000	\$1,729,200,000
Earnings*.....	190,100,000	183,500,000
U.S. Advertising	117,914,210	123,932,700

*Worldwide

Schering-Plough Corp., Madison, N.J., which entered a divestiture phase in 1983 that continues into 1984 in order to concentrate on its core businesses—pharmaceuticals and con-

sumer products—is the nation's 59th largest advertiser with estimated total advertising expenditures of \$117.9 million in 1983, down 4.8% from 1982.

Over-all, sales were \$1.808 billion, an increase of 4.6% from 1982, while net income was \$190.1 million, up 3.6%.

Of the total advertising expenditures, measured media in 1983 was \$69.36 million, down 4.5%. Most of that was spent on consumer products in the U.S., a product group accounting for \$514 million in sales out of worldwide consumer product sales of \$812 million.

Consumer product sales trail those of Schering-Plough's pharmaceutical business, which recorded worldwide sales of \$995.9 million, or 55% of the company total in 1983. The U.S. accounts for 41% of the pharmaceutical group sales.

The divestiture of businesses no longer fitting into Schering-Plough's long-term plans began with the sale in 1983 of DAP home products, netting

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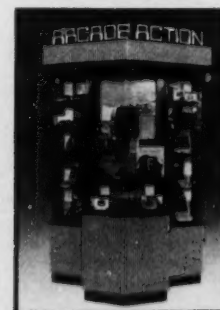
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the company \$70 million. In 1984, the company has sold two Plough Broadcasting radio stations and has reached an agreement to sell the remaining 10.

Within the consumer product sector, Maybelline cosmetics line, which had sales of \$202.8 million, up 12%, snared the biggest ad expenditure, \$29.95 million, an increase of 7%. Actress Lynda Carter, best known for her role as the super heroine Wonder Woman, was spokeswoman. The 1983 media mix for Maybelline advertising was 39.4% magazines, 49.9% network tv, and 10.7% spot tv.

According to company claims, during 1983, the Maybelline line became the U.S. leader in retail dollar sales of mass-distributed decorative cosmetics. Mascara takes up the lion's share of the Maybelline ad budget, accounting for \$10.6 million—most of that for tv time.

Ad spending on Maybelline's Moisture Whip line declined slightly to \$6.4 million, a drop of 8% from 1982, and that comes hard on the heels of a 24% decline from the 1981 level. Spending actually increased for lipstick and makeup, up 21% and 4.7%, respectively, but the company seems to have

lost all confidence in creams and lotions, which saw ad expenditures plummet from \$2.9 million in 1981 to \$1.8 million in 1982 and \$334,800 in 1983.

Schering-Plough, however, continued its strategy of exploiting the highly recognizable Maybelline name by adding new products to that line. One such new product in 1983 was Shine Free makeup, a line aimed at women with oily skin. Leading National Advertisers counted \$661,800 in magazine advertising for the products, powder blush, pressed powder and Cover Stick products.

Other new products introduced in 1983 were the Long Wearing line of lipsticks and foundation makeup, and Expert Eyes shadow kit and liner pencil.

The company attempted to salvage its Daydreams entry in the perfume market by repackaging it. Introduced in mid-1982, the perfume was able to muster only a dismal 1% share. The company also increased advertising on the product by 10.3%, to \$4.6 million.

Hoping to snare yet an even larger portion of the \$240 million-a-year sun-care market, Schering-Plough, which already markets the leading Coppertone line and the Tropical Blend tanning products line, launched the la So-laire sun-care line in 1983, a more lavishly packaged and expensively priced line to be competitive with Charles of the Ritz Group's Bain Du Soleil. It remains to be seen how successful the la So-laire marketing strategy will be.

Many of Schering-Plough's competitors, while conceding that the company's lines remain the undisputed top sellers, say its total share has dropped slightly, citing price resistance to the Tropical Blend line as a problem.

However, that price resistance has not deterred Schering-Plough from adding a new fragrance, Tequila Sunrise, to the Tropical line.

Schering-Plough says it spent more

than \$19 million on advertising and promotion for its sun-care products in 1983. But the portion that went into measured media declined considerably from 1982 levels, according to Leading National Advertisers. Coppertone's ad spending was \$4.7 million, down 11.2%, while Solarcaine products ad spending was down 60%, to \$514,800; Tropical Blend Tanning Products was down 49%, to \$1.04 million, and For Faces Only products was down 49%, to \$935,700.

Schering-Plough's strategy of associating new products with highly popular ones carried over into the foot-care market as the company added Pro Comfort, a specialty line of protective and sports-injury prevention products, to the Dr. Scholl's line.

Aimed at active, younger people, the company promoted the line by sponsoring a nationwide series of 10-kilometer races that featured many of the country's top-ranked runners.

Meanwhile, the Dr. Scholl's line, which has a vice-like grip on the foot-care market, had sales of \$107.8 million in 1983, up 4% over the previous year.

Also, Dr. Scholl's Odor Attackers was introduced in 1983, and in 1984, the division expects to introduce a foot-grooming line and a comfort insole for women's open-toed shoes.

The company says Duration, a nasal spray that had \$2.8 million spent on advertising in 1983, maintained its leading position among advertised products in its category.

Spending on St. Joseph's children's aspirin line increased 81%, to \$2.8 million in 1983. The company also spent an additional \$3.4 million advertising St. Joseph's maximum strength aspirin-free tablets. The product was introduced at the end of 1982 to take advantage of the Tylenol scare, but thus far it has been unable to achieve any significant market share.

In the pharmaceutical field, the company specializes in anti-infectives, cardiovasculars, anti-inflammatories and anti-allergens.

Probably the most publicized aspect of Schering-Plough's pharmaceutical operations is interferon, a drug still in the research stage. At one time, interferon was hailed as a wonder drug that would cure everything from cancer to the common cold, but it has hit so many snags during research that some wonder if it ever will reach the market. Still, more than 20 companies are involved in the race to find commercial applications for it.

But the two with the most riding on it are F. Hoffmann-LaRoche & Co. and Schering-Plough. The latter especially had been vociferous in extolling its virtues and may have forced itself into a position of putting up or shutting up. In late 1983, the company filed for two anticancer indications with the Food & Drug Administration and said it expects to file for use in combatting the common cold sometime in 1984.

Schering Plough got a step closer to marketing interferon in mid-August, 1984, when Geneva, Switzerland-based Biogen Inc., with whom Schering Plough has a worldwide exchange license (SP does the scale up and process development), received a generic patent for alpha interferon from the European Patent Office. Approval to release the product, however, has yet to be received from drug regulatory bodies in developed countries in which SP has applied to market interferon. "It is very positive that the Europeans

granted the generic patent," says a SP spokesman, who did not think the patent would necessarily set a precedent for other countries to follow. The "generic" patent designation, however, is expected to precipitate a long legal battle with Hoffmann-LaRoche, which contends the Biogen patent covers only a "precursor" of the alpha interferon product, not the mature form.

As a cold medicine, there is a major obstacle Schering-Plough must overcome to get FDA approval: The elimination of side effects such as nose bleeds that most people complain about after using the drug. Once it attains approval, the company has to figure out how to market interferon, because it is a preventive medicine that must be administered before a cold is contracted.

In 1983, Drixoral adult cold tablets, the largest selling prescription medicine of its kind in 1982, were converted to an over-the-counter product. The company claims it has become the No. 1 seller in pharmacies and is increasing its share in the large nonprescription adult cold market.

During the year, the company changed the ad agencies handling prescription products, dropping Pro Clinics and adding both Robert A. Becker and William Douglas McAdams. All three agencies are in New York.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers	\$94,106	\$259,200
Magazines	18,926,000	16,860,700
Farm publications	432,500	514,100
Spot tv	5,497,000	5,293,800
Network tv	37,878,900	42,947,900
Spot radio	2,094,100	1,246,000
Network radio	2,829,900	3,683,700
Outdoor	1,669,000	1,907,300
Total measured	69,361,306	72,632,700
Unmeasured	48,552,910	51,300,000
Estimated total	117,914,216	123,932,700

LAKE-SPIRO-SHURMAN

In-house Advertising Agency

Avron Spiro Jr., president
Gene Camerik, vp-media resources
Lewie Nolan, vp-communications
Lynn Sanders, vp-naul media
Jerry Williams, vp-genl mgr, American Image Productions

Robert Maxwell, director-mktg services
DR. SCHOLL'S

Marketing Personnel

James Hardwood, president
Edward McManic, senior vp-operations
James Roubesh, vp-mktg
Ken Shaw, vp-adv
Don Anderson, mktg director
Alan Beychok, director-new prod
Frank Wirth, group prod mgr
Mark Hagen, Scott Connor, Sherrie Terry, Rich Weaver, prod mgrs

U.S. PROPRIETARY DRUGS

& TOILETRIES

Marketing Personnel

J. Richard Briscoe, president
Gerry Nobrega, senior vp-mktg and adv
Russell Elliot, senior vp-adv and mktg rch
William Manley, adv director
Tony Guiliano, mktg director-Suncare Products

JoAnne Brown, mktg director-Proprietary Drug Products
Bill Stratton, mktg director-new ventures

Sales Personnel

Win Weber, senior vp-sales
Charley Naff, senior vp-sales devel
Ray Wojcik, senior vp-direct sales
Joe Edmondson, senior vp-sales admin and planning

U.S. COSMETICS DIVISION

Marketing Personnel

David Brittain, president
Hank Pellegrin, exec vp
Bob Schreiber, vp-adv
Chris Berry, vp-mktg, eyes & fragrance
John Conte, vp-mktg, face/lips/nails
Geoff Daiboch, vp-prod devel
Roz Crane, mktg director-fragrance
Nick Andrus, mktg director-eye prod
Curt Hicks, mktg director-face/lip/nail prod

Roger Lewis, mktg director-MW Cos./skin care/accessories

SCHERING LABORATORIES

SCHERING DIVISION

Marketing Personnel

H. Steven Schneider, vp-genl mgr
H. Weintraub, vp-sales
Tom Battaglini, director-Rx adv and sales promo
Michael Walsh, senior director-otc prod
Van Knox, senior director-Rx prod
Arnold Burstein, director-mktg services
Daniel Tousman, senior director, business devel
J.P. Garnier, senior director-mktg operations

Advertising Agencies

Lake-Spiro-Sherman, Memphis—all Plough, Maybelline & Scholl media placements in the U.S.

Warwick Advertising, New York—St. Joseph's prod, Feen-a-Mint, Duration, Sardo, Artra, Sulfer-8 line, Black & White line, Coppertone prod, QT prod, Correctol laxative, Mexsana medicated powder, Aspergum, Sudden Tan—Charles Levy, mgmt super; Peter Black.

Ted Bates Advertising/New York—Maybelline eye cosmetics and nail enamel, Dr. Scholl's—Lynn King, acct super; Joan Rothberg, exec vp.

Bloom Agency, Dallas—Moisture Whip, Aftate, Feen-a-Mint, Solarcaine, Tropical Blend—Sherri Babcock, acct super.

Rolf Werner Rosenthal, New York—prescription prod—Rolf W. Rosenthal, president/ceo; Ronald J. Souza, senior vp-director, client services, Phil Brady, vp-acct group super; Paul Schneider, acct super.

Robert A. Becker, New York—prescription prod—Robert A. Becker, president; Raymond Perry, senior vp, mgmt super; Doug Frank acct exec.

Ketchum Advertising, New York—medical, paramedical, trade and consumer promo-otc prod—Paul J. Abrams, senior vp-director, sales promo; Donald W. Burkett, senior vp-mgr, acct super; Greg Faust, acct super.

Lewis, Gilman & Kynett, Philadelphia—prescription prod—Charles Mathias, vp-acct super; Warren Dordine, acct exec.

Bergelt Advertising, New York—Schering veterinary ethical products—Edward Bergelt, chairman; Robert Trybus, president; John Fraoli, vp-art director; Jay Levy, acct exec.

Bryant, Lahey, & Barnes, Overland Park, Kan.—Continental Animal Health and American Scientific Laboratories—Forrest Bryant, president; Lorraine Barnes, vp-acct super.

William Douglas McAdams, New York—prescription prods—Irwin Gerson, president; Anthony D'Onofrio, senior vp; Joseph Carobene, vp-acct super; Irving Swab, acct super.

Jos. E. Seagram & Sons

	1983	1982
Sales*	\$2,647,552,000	\$2,826,184,000
Earnings*	117,500,000	115,000,000
U.S. Advertising	119,604,400	153,000,000

*Worldwide, fiscal years 1984 and 1983 ended Jan. 31

Jos. E. Seagram & Sons, New York, a subsidiary of Seagram Co. Ltd., Montreal, was the 57th largest national advertiser in 1983 with estimated advertising of \$119.6 million, a decrease of 21.8% from the previous year.

Worldwide sales for fiscal 1984 were \$2.65 billion, a 6.4% drop from 1983, while net income advanced 2%, to \$117.5 million. U.S. sales of \$1.639 billion in 1983 remained flat.

Sales at Seagram began to rebound in fiscal 1984 with first quarter sales ended April 30 up 9% to \$625.6 million, and net income up 64% to \$89.3 million, a figure that includes dividends from Seagram's 22% ownership in Du Pont. Operating income, void of those dividends, was \$48.3 million, up 7%. Fiscal totals for the comparable period in 1983 are difficult to make because Seagram has just switched to a new fiscal year ending Jan. 31.

Seagram blamed its sluggish performance in 1983 on the lingering impact of the recession and intense competition within the spirits industry.

For the year, Seagram pursued a dual marketing strategy. It sought to maintain the market share of its top-selling Scotch whiskeys, long the backbone of the company, while moving more aggressively into the new categories likely to dominate the market in the years ahead: Creams, rums, liqueurs and wines.

Generally sluggish sales led to major ad cutbacks except in wines and new

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products.

Seagram slashed ad spending in all measured media. Media expenditures of \$80.8 million in 1983 were 26.7% below expenditures of \$102.4 million as measured by Leading National Advertisers (LNA). Magazines continued to garner a majority of the company's media budget, despite a 26% drop in magazine spending, to \$45.6 million. Magazines accounted for 56% of all measured spending by Seagram, equal to its share last year, but down from 60% in 1981 and 75% in 1980. Tv, newspapers and outdoor all have gained proportionally over the past few years.

Industrywide liquor sales dropped 1.6% in 1983, compared with a 3.2% decline in 1982. Experts see sales flattening in 1984 as the recovery continues, although higher drinking ages and anti-alcohol publicity could cut into sales.

Seagram's top five brands showed little or no growth during the year. Sales of 7 Crown whisky, the third best selling liquor in the country, were down 6.8% from 1982. V.O. whisky dropped to No. 7 among all liquors from No. 5 the year earlier, with sales down 8.2%. Seagram's gin checked in at No. 10 on the best-seller list as it did in 1982, with sales up 0.5% (after an 11.6% drop in 1982) and rose from the No. 35 ranking in 1982. Crown Royal whisky, No. 34 among all liquors, gained 4.5% in sales (after a 5.6% drop in 1982). Wolfeschmidt vodka, No. 35, gained 0.4% in sales but couldn't hang on to its No. 33 slot of the previous year. (Rankings by sales are from Lehman Brothers research.)

Seagram spent \$6.7 million in measured media for 7 Crown, down 27% from 1982; \$7.4 million for V.O., down 29.5%; \$3.6 million on Seagram's gin, down 10%; \$5.9 million for Crown Royal, down 33%; and \$2.2 million for Wolfeschmidt, down 29%, according to LNA.

New activity for Seagram in 1983 focused on wines, liqueurs and rums. Late in 1983, Seagram bought the Wine Spectrum, including its flagship Taylor California Cellars brand, from Coca-Cola for \$237.8 million.

The move established the company as the second largest domestic wine producer in the United States. Paul Masson wines received \$7 million, down 16%, in ad support, while Taylor received \$3.2 million, down from \$13.5 million in 1982. E&J Gallo Winery maintained a strong dominance (27% share) of the U.S. market. Seagram continued to put more dollars behind Taylor in early 1984, pushing spending toward the \$13.5 million levels maintained by Coca-Cola in 1982). Competitor Gallo spent \$34.7 million in 1983.

Paul Masson light wines, backed by \$1.5 million in tv spots after a \$6.3 million introduction in 1982, retained the top market share in the light wine category, but the category as a whole has not developed as fast as expected. Ads for Masson Light play up its reduced caloric and alcoholic content. Taylor Light holds the No. 2 niche in the market.

Other 1983 ad expenditures on Seagram wines included: \$3.2 million for Black Tower; \$2.4 million for Partager, down 11%, billed as "the country wine from France" in tv spots showing fun-loving French peasants, and \$1.1 million for B&G french wines, the same as in 1982.

Seagram began regional testing of Belle Bonne cream liqueur in 1983, pushing the new chocolate almond creme in the hope of gaining a foothold in the burgeoning market for creams—expected to be a major area of growth in the 1980s and beyond. The company spent \$3.2 million advertising Myers's Original rum cream, another entry in this category, introduced in 1982 and now rated by Seagram as "one of the most successful new product introductions in recent spirits history." Measured spending for the Myers's rum brand dropped from \$5.4 million in 1982 to \$2.4 million, although spending for a line extension, Myers's Jamaican rum, rose from \$5,700 to \$1.3 million.

Big product news in 1983 for Sea-

gram, though, was the introduction of Captain Morgan spiced rum, backed by almost \$4 million in ad spending. Magazine spending of \$1.6 million and \$2.3 million in outdoor helped make the swashbuckling figure of the Captain himself—a pirate with a partying soul—familiar to consumers across the country.

The drink is targeted chiefly at younger people—presumably the 21-to-34-year-olds who are leading the movement away from heavier, darker, traditional liquors. Early sales results were promising. *Impact*, the industry newsletter, forecasts eventual sales of 1 million cases a year. Sales for 1983 were estimated by industry sources at 150,000 cases, or \$12.6 million.

Another new product introduced regionally late in 1983 was Seagram's Imported Vodka—"without the imported price," as ads declared. The new vodka aims to go against Stolichnaya, Absolut and other imports with its \$6.50 to \$7 retail price tag. It will go national this year behind a "significant" marketing budget, the company

said.

Success for Seagram depends heavily on these new drinks. A survey by SRI Research found that among all liquor advertisers in 1982, Seagram brands ranked cumulatively highest in brand awareness, but this awareness was highest among older consumers. The new drinks represent Seagram's attempt to capture a younger generation of drinkers.

Despite these new-product trends, the bulk of Seagram ad dollars still went to support existing brands in more traditional categories. Some of the big-ticket items were: Chivas Regal scotch, \$4.3 million, down 12%; Lord Calvert whisky, \$2.6 million, down 19%; Kessler blended whisky, \$2 million, down 17%, and Glenlivet scotch, \$1.7 million, down 23%.

Two other major developments made headlines for Seagram in 1983. One was the sale in the spring of Fromm & Sichel, the Seagram subsidiary that marketed Christian Brothers brandy and wine. The Napa Valley-based company was sold to a group of

private investors.

Seagram had spent \$4.3 million to advertise Christian Brothers' products in 1982. The sale leaves Seagram with two brands left in that category, Paul Masson and Leroux.

Another development was the successful national rollout of Seagram mixers. Seagram licensed its name to Coca-Cola Bottling Co. of New York, the bottler, distributor and marketer of the mixers, in return for royalties on sales.

The success of the mixers has been a mixed blessing, cutting into Seagram's ability to sponsor co-op advertising with makers of other mixers. Schweppes canceled its longtime co-op campaign with Seagram's gin (\$1.5 million in 1982) as soon as Seagram's mixers made their debut in the East.

Coca-Cola Bottling Co. of New York is advertising the ginger ale (regular and sugar-free), club soda, tonic (regular and sugar-free), seltzer, bitter lemon, collins and grapefruit-lemon drink as "the first mixers good enough to be called Seagram's." The mixers

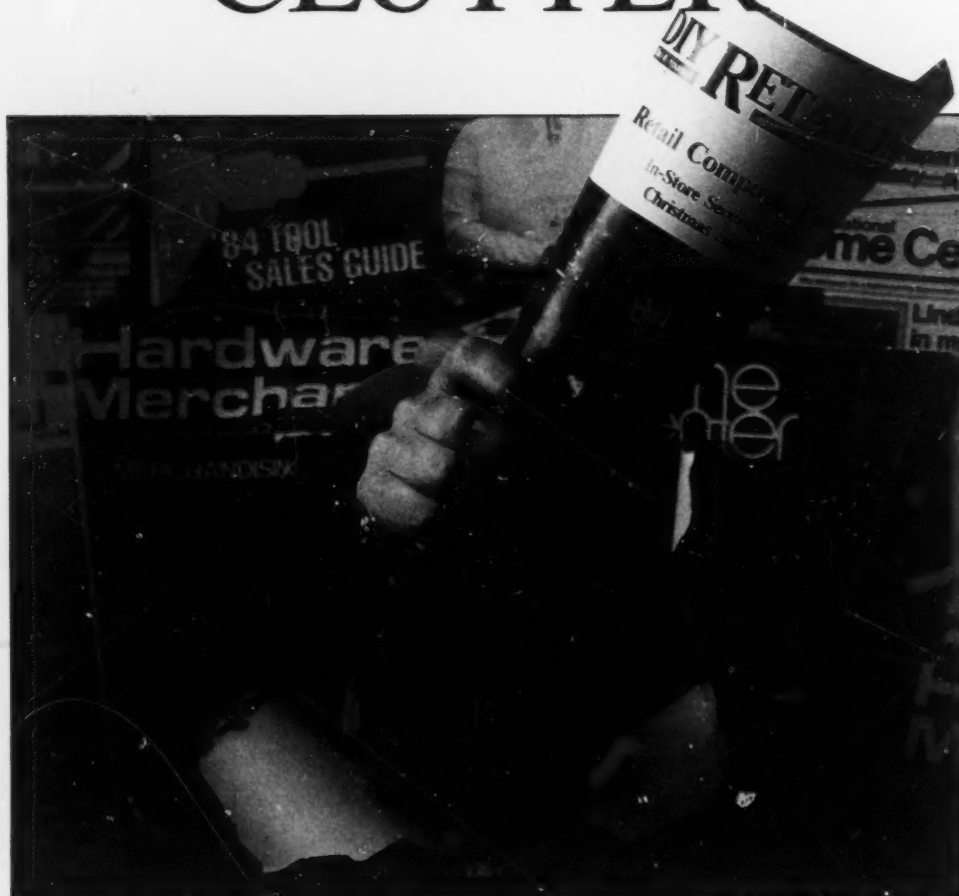
were backed last year by \$1.6 million in measured spending by Coca-Cola Bottling.

In the corporate offices, the departure of Mary Cunningham, vp-strategic planning, received considerable press attention. She left to work full-time with husband, Bill Agee, on their venture-capital business, Semper Corp. Ms. Cunningham claims responsibility for plotting Seagram's expansionary moves in the wine business.

Seagram continued to be an industry leader in advertising for drinking with moderation, a role that may serve the company well in a time of widespread anti-alcohol sentiment in Washington and elsewhere.

One Seagram print ad that drew wide attention, featured a picture of four jiggers of whisky, four glasses of beer, and four of wine, joined by an equal sign. The headline says "Surprised?" The copy informed readers that the alcohol content of the three groups was equal, and concluded: "Even if it looks light, it shouldn't be taken lightly."

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DIY RETAILING

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$8,476,600	\$9,851,300
Magazines.....	45,643,300	62,824,000
Spot tv.....	7,233,100	8,410,300
Network tv.....	10,739,900	13,754,600
Spot radio.....	64,600	84,600
Outdoor.....	15,766,800	16,064,200
Total measured.....	87,924,300	110,189,000
Unmeasured.....	31,680,100	42,811,000
Estimated total.....	119,604,400	153,000,000

JOS. E SEAGRAM & SONS INC.

Marketing Personnel

Philip E. Beckman, president
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Jerome S. Mann, senior vp
Robert Brader, vp-mkt rch
John L. Bely, vp-public relations
M. Jacqueline McCurdy, vp-industry relations
William K. Friedman, vp-corp affairs
Bernard Stolbof, vp-OUTCO and director, media services
Lawrence Weiss, vp-natl acct sales

HOUSE OF SEAGRAM

Edgar Bronfman Jr., president
SEAGRAM DISTILLERS CO.
New York

Marketing Personnel

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Thomas K. McInerney, exec vp-mktg
Victor S. Samaha, vp-director admin
Richard D. McCarthy, vp-group mktg director
Bernadette Moran, director-mktg services
Donald R. Keeton, director-sales services
Albert F. Sprung, director-mktg analysis
Mark Gotherberg, senior prod mgr. Seagram's V.O.
Vincent R. Partridge, senior prod mgr. Crown Royal
Jonathan B. Giesberg, senior prod mgr. Seagram's 7 Crown
Carl Horton, natl prod mgr. Seagram's gin
Peter Mihalos, prod mgr. Myers's rums
Deborah Chertok, prod mgr. Myers's Original rum cream
Laurie Rovner, prod mgr. Seagram's imported vodka
Robert Taylor, prod mgr. Wolfshmidt vodka, The Glenlivet
Dorothy J. Lebach, Martin Johnson, prod mgr. new prods
John H. Reese, Arthur Gertz, group sales promo mgr
Joe A. Buckhalter Jr., mgr military sales/Seagram sports award program

Advertising Agencies

Warwick Advertising, New York—Seagram's 7 Crown, Crown Royal, Seagram's Extra Dry gin, Glenlivet scotch, Seagram's imported vodka—James Driscoll, exec vp; Michael Graham, senior vp-mgmt super; Leigh Schmalz, Sam Seebree, vps; Leon Hanson, Joe Friel, vps-acct supers.
William Esty Co., New York—Wolfshmidt vodka, Myers's rum, Myers's Original rum cream—John Scott, mgmt super; Stan Joyce, acct super, rum, Myers's rum cream; Richard Rack, acct super, rum.
Ogilvy & Mather, New York—Seagram's V.O.—Cliff Angers, senior vp-group director; Mike Newbrand, senior vp-mgmt super.

CALVERT DISTILLERS CO.

Marketing Personnel

Marty H. Bart, president
Sheldon Katz, exec vp-sales
Mark Taxel, exec vp-mktg
Steven J. Kalagher, vp-mktg planning
Jules Erwin, mktg communications mgr
David Newman, Rodger De Sarno, vps-directors mktg
Sam Elias, mktg director, new prods
James Spillane, vp-natl programming
David I. Grossman, director mktg analysis
Marvin Steinhardt, natl sales promo mgr
Fred Ronai, natl prod mgr. Passport scotch
Martin Atlas, senior natl prod mgr. Lord Calvert Canadian
Dennis Brophy, natl prod mgr. Kessler whisky, Crown Russe vodka
Margaret Heffernan, natl prod mgr. Captain Morgan spiced rum
Arthur Brenner, vp-chain sales
David McEwan, natl prod mgr. Jameson Irish whisky
Patricia Cehler, natl prod mgr. Burnett's gin
Robert Tubin, natl prod mgr. Calvert Extra

Advertising Agencies

Doyle Dane Bernbach, New York—Calvert Extra, Lord Calvert Canadian, Calvert gin, Crown Russe vodka, Passport scotch, Jameson Irish whisky—Martin Kreston, group senior vp; Stephen Dorenfeld, vp-mgmt super; Stanley Burger, Charles Rollins, vp-acct supers.
William Esty Co., New York—Burnett's gin—Leonard Faupel, senior vp-mgmt super; Arlo Demetrio, vp-acct super.

Warwick Advertising, New York—Kessler whisky, Tuaca liqueur—James Driscoll, senior vp-mgmt super; Joseph Friel Jr., vp-acct super; Howard Hersh, vp.
North Castle Partners, Greenwich, Conn.—Len Ferraguzzi, senior vp-acct director, mgmt super; Evelyn Coghlan, acct super; Mark Grayson, acct exec.

Mingo-Jones Advertising, New York—minority adv for Lord Calvert Canadian, Burnett's gin and Calvert Extra—Sam Chisholm, vp-mgmt super; Roger Green, acct super.

GENERAL WINE AND SPIRITS CO.

Marketing Personnel

Seymour L. Leikind, president
Gerald N. Friedman, exec vp-sales
Gil Schy, exec vp-mktg
Robert Vosswinkel, vp-admin
Mac Taub, Richard P. Shaw, vps-directors mktg
Robert A. Watkins, vp-natl programming
Stephen LaScala, mktg budget mgr
Robert Dow, Arthur Kayser, natl sales promo mgrs
Robert Regulinski, mgr-mktg analysis
Robert L. Hinton, natl prod mgr. Nickolai vodka, Harwood Canadian
Anthony Moore, natl prod mgr. Eagle Rare bourbon, Royal Paisley scotch
Anthony Bongiovanni, senior prod mgr. Leroux cordials and brandy
John Hartrey, senior prod mgr. Ronrico rum
Errol Holt, natl prod mgr. Royal Salute scotch and Belle Bonne liqueur
Ellice Matsil, natl prod mgr. Dr. McGuillcuddy's mentholmint schnapps
Gil Solina, natl prod mgr. Mumm cognac, Boodles gin
William Carr, natl prod mgr. Tropina, Lochan Ora

Advertising Agencies

Doyle Dane Bernbach, New York—Chivas Regal, Royal Salute, Ronrico rum, Royal Paisley, Lochan Ora liqueur—Martin Kreston, exec vp; Steve Dorenfeld, vp-mgmt super; Joe Trombino, Herb Jacobs, vp-acct supers; Hope Kaye, acct exec.
William Esty Co., New York—Leroux cordials—Len Faupel, mgmt super; Carlo Demetrio, acct super; Robert Adams, acct exec.

Warwick Advertising, New York—Eagle Rare bourbon, Harwood Canadian Tropina, Nickolai vodka and Boodles gin—Jim Driscoll, exec vp; Joseph Friel Jr., vp-acct super; Leigh Schmalz, vp-acct super.

North Castle Partners, Greenwich, Conn.—Dr. McGuillcuddy's mentholmint schnapps Belle Bonne almond cream—Len Ferraguzzi, exec vp; Bob Pallotta, vp-acct director; Evelyn Coghlan, vp-acct super; Mark Grayson, acct exec.

SEAGRAM CHATEAU & ESTATE WINES CO.

New York

Marketing Personnel

Abdallah H. Simon, president
David S. Milligan, vp-sales
Charles K. Frankel, vp-admin
John W. Laird, vp-mktg
Maurice Lartigau, vp-metro N.Y.
Advertising Agency
William Esty Co., New York—Chateau Larose Trintaudon, Les Charnes white burgundy, Perrier-Jouet champagnes, Sindenman Armada cream sherry—Leonard Faupel, mgmt super; Carlo Demetrio, acct super.

SEAGRAM CLASSICS WINE CO.

Marketing Personnel

Sam Bronfman II, president
Kenneth L. Onish, exec vp-sales
SEAGRAM WINE CO.
Richard L. Maher, president
C. Richard Coffey, exec vp-sales
Anna Resnik, exec vp-finance and admin
Louis Keyes, Kevin MacDougall, Arthur Michael, prod group directors
Robert O. Dowd, director, sales services

Advertising Agencies

Doyle Dane Bernbach, New York—Paul Masson Vineyards, all brands—Martin Kreston, group senior vp; Charles Traynor, vp-mgmt super; Greg Argand, vp-acct super; Virginia Pirie, acct exec; Pat Willis, acct exec. B&G wines, Partage, Mumm champagnes, Nectarose—Martin Kreston, group senior vp; Charles Traynor, vp-mgmt super; Ardean Fishman, acct exec.

William Esty Co., New York—Gold Seal champagnes and wines, Henri Marchant champagne—Leonard Faupel, mgmt super; Carlo Demetrio, acct super; Robert Adams, acct exec. Black Tower—Stanley Joyce, Karen Tully, acct supers.

SUMMIT SALES CO.

Marketing Personnel

Robert A. Monroe, president
Thomas M. Collins, vp-admin and planning
Thomas P. Cekay, natl sales mgr
Robert C. Zukowski, operations mgr

Advertising Agency

Ming-Jones Advertising, New York—Cherry Kijafa, Something Special scotch—Sam Chisholm, vp-mgmt super; Martin Fortes, acct super.

SEAGRAM INTERNATIONAL

Marketing Personnel

Edward F. McDonnell, president
Richard J. Denmark, director mktg
Michael Cliff, exec vp-mktg dev
John Griffin vp-finance and planning

Sears, Roebuck & Co.

	1983	1982
Sales.....	\$35,883,000,000	\$30,028,000,000
Earnings.....	1,342,000,000	\$61,000,000
U.S. Advertising	732,500,000	631,514,000

*Worldwide

Sears, Roebuck & Co., Chicago, the nation's largest retailer and second largest advertiser, increased national ad spending about 16% in 1983, to \$732.5 million, as it continued its merchandising focus on the "Store of the Future" concept.

The top 25 outdoor advertisers

Rank	Advertiser	Expenditures (\$000)			
		1983	1982	1983 as % of total advertising exp.	1982 as % of total advertising exp.
1	R. J. Reynolds Industries*	\$88,919.6	\$77,233.2	15.0	14.6
2	Philip Morris Inc.*	55,210.5	50,538.0	10.5	10.1
3	Loews Corp.*	37,103.7	23,661.8	27.5	22.9
4	Batus Inc.*	22,420.4	42,537.1	15.3	18.1
5	Jos. E. Seagram & Sons*	15,766.8	16,064.2	13.2	10.5
6	American Brands*	12,949.9	12,314.4	17.1	17.0
7	Hiram Walker Resources Ltd.	7,558.6	8,931.8	N/A	N/A
8	Brown-Forman Distillers*	6,182.1	7,680.1	8.8	10.4
9	National Distillers & Chemical Corp.	5,203.5	6,459.1	N/A	N/A
10	GrandMet U.S.A.*	4,933.1	4,652.0	8.9	8.6
11	Beatrice Cos.*	4,421.5	N/A	0.7	N/A
12	McDonald's Corp.*	4,295.0	4,142.9	1.4	1.6
13	General Motors Corp.*	4,183.3	5,009.0	0.7	0.9
14	Rapid-American Corp.*	4,071.4	4,719.9	N/A	N/A
15	Anheuser-Busch Cos.*	4,053.3	4,820.1	1.4	2.0
16	Coca-Cola Co.*	3,284.4	3,189.4	1.2	1.2
17	Holiday Inns	2,898.8	2,570.4	N/A	N/A
18	Gannett Co.	2,508.4	831.3	N/A	N/A
19	Eastern Air Lines*	2,468.8	2,499.4	3.5	4.4
20	American Honda Motor Co.*	2,450.7	2,631.1	2.1	2.8
21	Toyota Motor Sales U.S.A.*	2,284.1	2,111.8	2.0	1.9
22	Bacardi Corp.	2,216.7	2,105.7	N/A	N/A
23	Moet-Hennessy	1,975.0	1,475.1	N/A	N/A
24	G. Heileman Brewing Co.	1,958.8	2,083.7	N/A	N/A
25	PepsiCo Inc.*	1,923.5	1,133.5	0.5	0.4

Source: Leading National Advertisers, in cooperation with the Institute of Outdoor Advertisers and Outdoor Advertising Assn. of America.

*Indicates a 100 Leading National Advertiser

Known by an estimated 36 million customers for its department stores and catalogs, the company also is a holding corporation for several retailing and financial service and trading entities: Sears Merchandise Group, which manages the department stores; Allstate Insurance Group, a prominent personal and commercial insurance underwriter; Coldwell Banker Real Estate Group, a nationwide realtor; Dean Witter Financial Services Group, a nationwide stock brokerage, and Sears World Trade Inc., an international goods and services trading company.

Several of the financial services operate together as Sears Financial Network based in Sears department stores. Operating revenue for the retailing and financial services company increased 19.5%, to nearly \$35.9 billion in 1983. Net income also grew, up 44.2%, to more than \$1.3 billion.

By far the largest and most important of the subsidiaries, Sears Merchandising Group led the company in revenues, generating \$25.1 billion, an increase of about 21.4% over 1982, and produced net income of \$781 million, up 80.8% over 1982. The group also dominated national media ad spending, accounting for most of the \$219.33 million monitored by Leading National Advertisers.

Last month, the merchandising group also provided leadership to the parent company. On August 15, Edward A. Brennan, former chairman of the merchandising group, was named president and chief operating officer of the conglomerate. William I. Bass was then named chairman and ceo of the merchandise group to replace Mr. Brennan.

Other groupings and corresponding media expenditures include the Allstate Insurance Group, which produced revenues of \$8.1 billion, up 8.9% from 1982, and net income of \$555 million, up 16.8% from 1982. Allstate spent \$25.7 million in national media, up 35%.

Dean Witter Financial Service Group produced \$2.1 billion in 1983 revenues, up about 32%. Net income grew to \$100 million from \$27 million in 1982. Dean Witter spent \$7.5 million in national media, up from \$3.2 million.

Coldwell Banker Real Estate gen-

erated \$704 million in revenues, a 49.7% increase over 1982. Net income dropped 8.7%, to \$48 million. The real estate firm spent \$2.2 million, up from \$809,000.

In its first full year of operation, Sears World Trade Inc. generated \$79 million in revenues.

The Merchandise Group's national media spending of \$219.33 million was an increase of 19% over 1982. That heavy media activity included 66% in network tv, 13.4% in spot tv, 15.3% in magazines, 4.9% in network radio and the remainder in outdoor and newspaper supplements, according to LNA.

The Sears Merchandising Group continued to establish "Stores of the Future," the retailing and marketing concept that eventually will dominate the group, according to G. Joseph Reddington, who was named vp-marketing for the merchandising group this spring. Mr. Reddington had been general manager of the Washington, D.C., Sears stores since 1982.

The new retail concept involves a store within a store by establishing "boutiques" for soft and hard-line goods within the major body of the store. Since the first of the stores was opened last year in King of Prussia, Pa., Sears announced an unprecedented \$1.7 billion capital expansion plan that will be used for the remodeling of 600 stores and the constructing of 62 new stores, including more of the stores of the future.

In 1983, the group added six new stores of the future and remodeled five others to bring the total to 12 for the year. In 1984, Mr. Reddington said Sears will remodel 85 more stores.

"The 'Store of the Future' is really where the marketing of the merchandise group is at right now," Mr. Reddington said. "We are moving steadily forward with the project and expect it will be a highlight of the group's 100th anniversary in 1986."

The group, however, also is introducing a couple of other new retailing operations in 1984. So far this year, Sears has opened 100 business system computer stores around the country and will open another 50 in 1985, Mr. Reddington said. The group also opened five paint and hardware specialty stores so far this year.

Product line expansion continues to be a major marketing concern for the group, which continues to add non-Sears products in both apparel and electronics specialties such as telephones.

Though hardware sales continue to dominate, providing nearly 70% of a store's yield, the group continued its promotion of new lines of men's and women's sportswear under the Arnold Palmer, Cheryl Tiegs and Evonne Goolagong names, lines that generated more than \$200 million in sales over each of the past two years.

The merchandise groups split its advertising into two major areas, with "hard goods," handled by Ogilvy & Mather, and "soft goods," managed by Chicago-based Needham, Harper & Steers.

Though tv advertising continues the theme of "There's more for your life, at Sears," the company began a slow move to modernize its image, according to Mr. Reddington, with the introduction of a new, more modern logo, beginning July 1. More will be coming, as part of a multi-million-dollar image campaign coordinated by NHS/USA.

Sears Financial Network, the combined financial service operations based in Sears stores, was the company's other major electronic media project. Tv commercials for the corporate umbrella project, featuring Hal Holbrook as spokesman, broke in mid-1983. They were produced by Foote, Cone & Belding, Chicago. The company would not disclose the advertising budget for the project, but expenditures previously were estimated at up to \$40 million.

Allstate Insurance Co. also revamped its marketing by establishing a new corporate market development and planning division with its personal property and casualty division.

The reorganization had no effect on the assignment of advertising to All-

state's consumer advertising agency, Leo Burnett USA, and its direct marketing agency Stone & Adler, Chicago.

The department's stated purpose, according to Allstate officials, is to coordinate Allstate corporate advertising, Allstate Motor Club, direct response, research, environmental analysis, strategic planning and market development.

Allstate also added another entry to its publishing operations. Already the publisher of *Discovery*, a publication for members of the Allstate Motor Club, Allstate Enterprises Holdings, a Glenview-based subsidiary holding company, also began publishing *Mature Outlook*, a magazine for consumers 55 years and older.

The new quarterly magazine and supplementary newsletters offer readers auto safety checks at Sears Automotive Centers, discount memberships in the Allstate Motor Club and information on Allstate Insurance discounts. Leo Burnett USA will handle the direct marketing tv campaign, which will begin later this year, and Foote, Cone & Belding, Chicago will handle a direct marketing magazine campaign.

Allstate also changed the name of its California-based savings and loan affiliate from Allstate Savings & Loan Assn. to Sears Savings Bank to capitalize on enhanced name recognition.

ADVERTISING EXPENDITURES

	1983	1982
Magazines.....	\$33,629,000	\$51,179,400
Farm publications.....	—	257,100
Spot tv.....	29,315,500	17,529,400
Network tv.....	145,006,800	102,563,800
Spot radio.....	5,496,600	5,577,400
Network radio.....	10,628,500	11,073,800
Outdoor.....	339,000	5,100
Total measured.....	224,416,300	188,186,000
Unmeasured.....	508,083,700	443,328,000
Estimated total.....	732,500,000	631,514,000

SEARS, ROEBUCK & CO.

Marketing Personnel

William I. Bass, chairman and co-merch
Joseph Batogowski, senior exec vp-merch
G. Joseph Reddington, vp-mktg
Ralph Hoch, natl retail merch mgr
Theodore Weldon, natl catalog merch mgr
William Cora, natl retail adv mgr

Advertising Agencies

Foote, Cone & Belding, Chicago—Sears
Financial Network—Paul Vernon, group
mgmt super; Lance Hecker, vp; Dottie
Holic, acct exec.

Hispania Advertising, subsidiary of J.
Walter Thompson USA, New York—Caroline
Demy, genl mgr; Chris Loffler, mgr-Hispania,
Chicago; Kathleen Nicolini, acct
rep.

Ogilvy & Mather, Chicago—hard lines—
Hank Bernhard, vice-chairman, O&M US;
Bill Whitney, senior vp-mgmt director; Jeff
Woll, group mgmt super; Allan Mager,
mgmt super. Sears Business Systems Center.

Needham, Harper & Steers, Chicago—apparel,
home fashion, merchandise group—Robert
Levin, senior vp-group acct director.
Apparel: Tom Hanft, mgmt rep; Walter
Menzel, acct super, womenswear and menswear;
Val Gleason, acct exec, womenswear;
Jerry McCann, acct exec, menswear; Karen
Wagenknecht, acct super, children's apparel;
Nancy Bernstein, acct exec, children's apparel.
Home fashion: Carole Black, acct
super; Peggy Anderson, acct exec. Merchandise
Group: Karen Wagenknecht, acct
super; Nancy Bernstein, acct exec.

Vince Cullers Advertising, Chicago—Black
consumer adv—Jeffery Cullers, mgmt
super.

Nelson-Woodward Inc., Chicago—Yellow
Pages adv—Garry Woodward, acct
exec.

Stern Walters/Earle Ludgin Inc., Chicago—Sears
catalogs and contract sales—Tom
Radloff, acct super.

Stone & Adler Inc., Chicago—direct mktg—
Catherine Bartholow, vp-acct super.

Sony Corp. of America

	1983	1982
Sales.....	\$4,747,953,000	\$4,759,985,100
Earnings.....	127,312,000	195,814,510
U.S. Advertising.....	97,283,200	57,158,200

*Worldwide

Sony Corp. of America, New York, the nation's 70th largest advertiser, increased advertising expenditures to an estimated \$97.3 million, a 70.2% increase over 1982.

Worldwide, earnings in 1983 dropped 35%, to \$127.3 million, as sales fell about 0.25%, to \$4.748 billion. Domestic sales for fiscal 1983,

which ended Oct. 31, slipped to \$1.36 billion, a 1.1% decrease from 1982.

Advertising expenditures increased largely from additional support supplied colored tv sets, recording tapes, the Walkman stereo and Watchman tv, with the greatest increases and outlays going to newspapers and spot tv.

Sony spent \$11.6 million on newspapers, more than twice the amount spent in 1982, according to Media Records Inc. Spot tv jumped from \$1.6 million in 1982 to \$9.8 million, reports Leading National Advertisers.

Video equipment sales, down 3.6% in dollars, accounted for 41.1% of total sales in 1983; audio equipment sales declined 2.9% in dollars, accounted for 22.1% of over-all sales.

Reginald Duquesnoy, an analyst at New York-based Arnhold & S. Bleichroeder, said, "1983 was an absolute disaster for the company—it was the year Betamax fell apart."

Consumer products, he said, account for about 85% of the company's revenues, and the legal battle between Sony and Universal City Studios/Walt

Disney Productions over fair use of the Betamax taping devices has decreased Sony's worldwide market share in the videocassette recorder market to 25% in 1983, adding to the market pressure Sony felt from vcr competitors like Zenith.

Betamax has been losing sales in Japan and overseas to the rival VHS-format system, which has a different tape size and format than Betamax. VHS systems moved to longer recording times faster than Sony.

In early April, 1984, Backer & Spielvogel lost the Betamax account to Marshchalk Co., New York, which is preparing a campaign to air this month on tv and spot radio and in magazines and newspapers. New machine features will be addressed in the ads, according to Sony.

In 1983, Sony backed its Betamax tv videotape system with \$6.2 million in measured spending, about 50% in spot tv, compared with a media buy of \$6.34 million in 1982, 66% of which was in network tv.

In the domestic market, the Beta

format, pioneered by Sony, is holding its own against competitors such as Zenith in the VHS line. The espousers of Beta—since Zenith's move to VHS, which is only Sony and Sears, Roebuck & Co.—are said to be losing sales.

The Beta format accounts for about 35% of the world's vcr business, and last year, 42% of Sony's total sales were from its vcrs, as were about 60% of the company's profits.

The tv segment of Sony was the only one to see over-all growth, with sales accounting for 24.1% of worldwide sales, up 1.5%. Color tv sales in particular increased, accounting for 21.6% of the tv segment's net sales.

In 1983, Sony continued to push its color tv sets on network tv, allotting \$4.7 million of the product's \$5.9 million measured ad budget to network tv promotion. Sony spent \$3.8 million in measured media on color tvs in 1982.

The new Sony Walkman cassette tape player and am/fm radio stereo received \$4.6 million, up from \$914,000 in spending in 1982. Virtually all was spent on spot tv.

Sony representatives and industry observers seem to agree that Sony is bouncing back from the turbulent 1983. Jeff Brooks, national advertising manager for Sony's consumer line, said the development of new products and the introduction of an intensive "Sony, the one and only" ad campaign will lead to a prosperous 1984.

"We covered up some past erosion [in sales of consumer products] by introducing the Beta Hi-Fi and the Betamovie and we've given people a reason to come back to the Beta format," Mr. Brooks said.

The Betamovie is a compact color video camera and tape recorder in a single unit. The Beta Hi-Fi is a vcr using high-speed rotating heads. Sony put almost all of its Betamovie camera spending of \$986,200 in measured media into spot tv ads in 1983.

According to Mr. Brooks, the budget for consumer advertising was about \$22 million in 1983. Of that total, 70% was poured into broadcast ads, 25% into consumer print and the remaining 5% was budgeted for promotional

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trade and radio advertising. Consumer products account for 85% of Sony's sales, according to Mr. Duquesnoy.

Sony's almost nonstop introduction of new recording products has led it to delve more heavily into tapes.

In 1983, the Sony tape division concentrated on promoting an ultra-high quality tape, which maintains recorded material longer than lower quality tape, according to Robert Basso, national advertising manager for the tapes.

Sony recording tapes, which were allotted only \$655,700 in advertising in 1982, garnered a \$2.4 million advertising budget in 1983, which Sony invested in a magazine campaign.

Mr. Basso said that, despite the trend toward the high-quality tape, lower quality tape is still a big seller for Sony. He said lower quality tape now is "almost an impulse buy, so what we're trying to do is use more point-of-sale materials and less consumer print."

However, he said most of the tape advertising dollars still are poured into consumer print. Tape sales are on a steady climb, Mr. Basso said, with the sales volume up as much as 157% over 1983.

Sony's industrial trade division is another steadily growing area, in keeping with the trend toward more automated offices, said Barbara Ela, advertising manager for Sony's video and professional audio division.

The industrial products have been successful sellers, Mr. Duquesnoy said, and the corporation is looking to increase its involvement in industrial products.

The 3.5-in. floppy disc was one of 1983's main developments in the industrial line, and Sony got a big break when the product was adopted by the American National Standards Institute as its standard. Sony also has a two-year contract with Hewlett-Packard, and by Nov. 1, 1983, Sony had shipped about 50,000 disc drives for Hewlett-Packard's personal computers.

Other new products introduced in 1983 include a digital tv receiving system that, with the help of Sony's semi-conductors and digital processing equipment, displays a high-quality picture.

In November of last year, Sony introduced its Cable Digital Audio Data Transmission system, which will expand the applications of existing cable tv.

Sony will promote the new system to cable tv companies, hotels, schools and hospitals.

The company is increasing its industrial business, and Norio Ohga, president of the company, has been quoted as saying he hopes Sony eventually will collect 50% of its sales from non-consumer business.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	11,619,700	5,041,497
Magazines.....	9,497,000	8,414,300
Spot tv.....	9,775,500	1,565,100
Network tv.....	8,087,700	7,137,300
Spot radio.....	290,600	594,800
Network radio.....	—	374,500
Outdoor.....	12,700	30,700
Total measured.....	39,283,200	23,158,200
Unmeasured.....	58,000,000	34,000,000
Estimated total.....	97,283,200	57,158,200

SONY CONSUMER PRODUCTS CO.

Advertising Personnel

Roland Martin, vp-communications

SONY TAPE CO.

Robert Basso, mgr-adv and promotion

SONY BROADCAST CO.

Ron Petty, director-mktg services

SONY COMMUNICATIONS PRODUCTS CO.

Jason Farrow, director-adv and promo

Advertising Agencies

Ammirati & Puris, New York—Sony consumer prods, Sony broadcast prods, Sony communications prods—Steven Hochster, acct super; Shelly Rosenfeld, Jonathan Brody, Susan Gold, acct execs.

McCann-Erickson, New York—Sony consumer prods—Tom Fischgrund, acct super; David Katz, acct exec.

Marschalk Co., New York—Betamax—Roger Steiner, senior vp-mgmt super.

Waring & LaRosa, New York—tape sales co., audio tape div and videotape div—John Kassano, acct super.

Sterling Drug

	1983	1982
Sales*.....	\$1,901,171,000	\$1,796,153,000
Earnings*.....	136,844,000	129,511,000
U.S. Advertising.....	171,828,100	140,149,500

*Worldwide

The nation's 38th largest advertiser, Sterling Drug, New York, spent an estimated \$171.8 million on U.S. advertising during 1983, a 22.5% increase over 1982.

Worldwide sales increased 6%, to \$1.9 billion, up for the first time in two years. Net income in 1982 was \$137 million, a 4% increase.

Continued weakness of foreign currencies in relation to the U.S. dollar unfavorably affected Sterling financial results. The percentage of sales derived from abroad has declined steadily since 1980, sliding from 47% then to 37% in 1983.

U.S. sales rose 11% in 1983, to \$1.2 billion, an increase attributed to aggressive marketing. U.S. operating profits increased 9.6%, to \$171 million. Sterling reported it spent \$347.7 million in advertising worldwide, an increase of 31% over the previous year.

The company reported earnings increased 9% for the first quarter of fiscal 1984 on sales that squeezed out a 1% improvement, a performance influenced by price increases during the comparative period for 1983.

Sterling's U.S. operations are divided into five business areas: Pharmaceutical specialties, proprietary products, household and personal products, chemicals and other products, and environmental control.

In the proprietary products area, sales shot up 30%, to \$300 million in 1983. Operating profits for the area increased 8.7% to \$41 million in 1983.

During the year, Sterling's Glenbrook Laboratories division added to its three pain-reliever product lines. The Panadol line, which was introduced in 1982 in the U.S. after 25 years in markets abroad, added aspirin-free products for children. It is now in liquid and tablet form for children and tablet and capsule form for adults. Measured spending for the adult line reached an estimated \$12.2 million in its first full-year of monitoring by LNA. Industry sources estimate that during the introductory period in 1982, Sterling may have budgeted as much as \$100 million for Panadol products, largely in unmeasured support. The company started advertising the children's Panadol line in early 1984. In the first quarter of this year, the company claimed a 12% share of the \$1.36 billion analgesics market.

Advertising began on two other products in 1983: Cosperin, an enteric-release aspirin (it passes through the stomach and dissolves in the intestines), and Majoral, a line of aspirin and nonaspirin products long known in Latin America.

Glenbrook continued to build on its Bayer line, promoting the micro-thin coated tablet, which had rolled national in 1982, and repositioning its arthritis-strength aspirin. Maximum Strength Bayer aspirin was introduced in 1983, with \$9.9 million spent on advertising—74% on network tv, 18% on spot tv. Total advertising for Bayer products increased 20%, to \$19.2 million in 1983. In July, 1983, the Federal Trade Commission lifted a 10-year-old consent order that had barred the company from making comparative claims on Vanquish and other over-the-counter products.

Other Glenbrook products showing improvement during 1983 include Diaperene baby powder and Phillips Milk of Magnesia products. The company spent \$5.3 million on advertising the four Phillips products, the bulk of which was spent on network tv. In the first year under the Glenbrook division, after being transferred from the Lehn & Fink group, Stri-Dex medicated pads retained the same spending level of \$2 million for measured media after expenditures doubled from 1981 to 1982.

Winthrop Labs' consumer division showed good sales gains over 1982

with sales for the Neo-Synephrine brand line of nasal decongestants up substantially over the past year. A maximum strength nasal spray in that line was introduced. Ad spending declined from \$5.1 million during the mild winter year of 1982 to \$2.6 million in 1983.

In the household and personal products area, the Lehn & Fink group, which accounts for almost all of the area's domestic business, showed a 13.2% increase in sales, to \$479 million in 1983. Operating profits in this area rose 5.4%, to \$78 million in 1983. Increased advertising and marketing expenditures were offset by internal cost containment programs.

All five established Lysol-brand products were up in sales during 1983. In its first full year of national distribution, Lysol Pine Action held its own. The product's ad money went from \$114,000 in 1982 to \$8.3 million, with most spent on network tv. Lysol spray disinfectant ad spending reached \$11 million in 1983, up 9% over 1982. Total ad spending on the Lysol line reached \$33.3 million in 1983.

In the Love My Carpet rug and room deodorant line, a fifth scent was added and the company reported improved sales. Ad spending exceeded \$2 million, including \$1.5 million in network tv and \$596,000 in spot tv.

An aggressive advertising campaign, for Perk floor care products, for which Lehn & Fink spent \$10.4 million, debuted in 1983.

In Lehn & Fink's d-Con line, a steady stream of new products were introduced, including d-Con flea and tick killer and d-Con Exact roach and ant killer. The pet flea and tick spray ad money for 1983 totaled \$649,300, all spent on spot tv. D-Con Fogger 1983 ad spending came to \$3.5 million, including \$3 million in spot tv. Spot tv was also big for the d-Con Flea Kill Fogger, hitting \$783,000 in 1983. While the total ad spending for d-Con products came to \$7.5 million, 59% was concentrated on spot tv.

Other new Lehn & Fink products included the Minwax Co.'s two additions to its wood finishes and preservatives products. Advertising hit \$2.2 million for the product line, which showed sales growth attributed to continued U.S. economic recovery. In the personal products area, Ogilvie hair-care products and Tussy deodorant and antiperspirants contributed to the area's all-time high sales. Ad spending on Ogilvie home permanents came to \$3.7 million. Tussy spending hit \$2.1 million. Spending for both products was concentrated in network tv.

In the pharmaceutical specialties area, in which medicines prescribed by doctors as well as those used in hospitals and dentistry are included, sales increased 12.3%, to \$260 million in 1983. The area's operating profits rose to \$44 million in 1983—a 16% gain.

Two major laboratories in the division were merged to serve as a strong marketing unit in early 1984. Winthrop Laboratories and Breon Laboratories became Winthrop-Breon Laboratories. The pharmaceutical specialties division showed a 3% gain in sales during the first quarter of 1984.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$288,300	\$498,500
Magazines.....	6,631,500	8,191,200
Spot tv.....	24,375,200	15,941,700
Network tv.....	82,660,000	66,383,700
Spot radio.....	820,400	235,900
Network radio.....	—	2,142,600
Outdoor.....	70,700	39,100
Total measured.....	114,828,100	93,433,000
Unmeasured.....	57,000,000	46,716,500
Estimated total.....	171,828,100	140,149,500

GLENBROOK LABORATORIES DIVISION

Marketing Personnel

Gerard P. Mattimore, vp-director of sales

J.C. Marshall, mkt rchd director

M. Guarini, group prod mgr

A. Kelly, group prod mgr

Robert A. Periman, director-mktg

H.J. Muessen, prod mgr-Phillips' line,

Fletcher's

B. Straus, prod mgr-Arthritis Bayer, Bayer

children's line

E. Redden, prod mgr-Panadol

B. Seiden, prod mgr-Midol, Vanquish

S. Johnson, prod mgr-Genuine Bayer,

Maximum Bayer

P. Kalikstein, director-new prods

C.S. Perlman, A. Kidder, new prods

Advertising Agencies

SSC&B, New York—Bayer line, Panadol

—Spencer Plavoukos, acct super.

Thompson-Koch Co., New York—Midol

—J. Klappmuts, acct super.

Cunningham & Walsh, New York—Phillips' line—M. Hussey, mgmt super; Hank

Malfa, exec vp.

Warwick Advertising, New York—Stri-

dex—Wilder D. Baker, president-mgmt

super; Bradford Moses, vp-acct super, C.

Scholz, acct exec.

N.W. Ayer, New York—Diaperene line,

Lo-Sal antacid—Stan Mattison, exec acct

director; Bob Schultz, acct super.

Font & Vaamonde (Spanish), New York

—Bayer line, Phillips' line, Panadol—Pedro

Font, president.

Dugan/Farley Communications Associ-

ates, Montvale, N.J.—medical communica-

tions—John P. Dugan, president.

LEHN & FINK PRODUCTS GROUP

Marketing Personnel

Herb Waller, president

Peter Stearns, vp-mktg

Dean Reeves, natl sales mgr

Parfums Givenchy division

David Chinn Jr., exec vp-genl mgr

Annikki Karkkainen, vp-sales

Consumer Products division

Michael R. Gallagher, president

Leonard Suskin, vp-mktg

Joseph Healy, director-mktg

F.M. Fox, vp-sales

Industrial Products division

S. Ray Mitchell, president

Stephen D. Hinden, director-mktg

Donald Nowlin, vp-sales

Minwax Co.

Donald H. Henderson, president

Peter Black, exec vp

Ridgely W. Harrison III, vp-sales

Paul R. Richter, vp-construction prods div

d-Con Co.

Earle K. Borman, president

John J. McFadden, vp-sales director

John Harwood, new prods director

William Hogate, director-new prods

Craig Karasin, prod mgr-Resolve

Marvin Matises, director-mktg

John Caputo, prod line mgr, rodenticides

Sena Senas, senior prod mgr, insecticides

Rita Polchin, mktg asst

Advertising Agencies

SSC&B, New York—Lysol prods, Love

My Carpet, Beacon Wax, Mop & Glo, Wet

Ones—Robert Wadsworth, exec vp; Elliot

Dorfman, vp-mgmt super; Bruce Kravetz,

John Barnes, vp-acct super; Steve Barcan,

acct super.

Geers Gross, New York—Tussy, Ogilvie,

Dorothy Gray—Don Kurtz, Dick Tarlow,

deputy chairmen; Chris Hanson, senior vp-

mgmt super; Joseph Pascale, vp-acct super;

Nancy Gerber, acct exec.

Lovine, Huntley, Schmidt & Beaver, New

York—Parfums Givenchy—Leslie Mar-

shall, acct super.

Gilbert, Whitney & Johns, Morristown,

N.J.—Minwax consumer and industrial

prods—John Mimmaugh, exec vp.

Thompson-Koch Co., New York—d-Con

line, Rid-X septic tank condition, Energine

line, House & Garden bug killer, Stay away

outdoor fogger, Warpath powder spray,

Ant/Roach killer, Ant-Prufe, Four/Gone

(indoor fogger), wasp and hornet killer,

Double Power, Roach Traps—E.J. Eberie,

acct super; John Klappmuts, Joshua Martin,

acct execs.

Avrett, Free & Ginsberg, New York—Pie

Action—Jack Avrett, president; Barbara

Hill, acct super.

WINTHROP-BREON LABORATORIES

Marketing Personnel

Joseph Scarlata, president

Herbert E. Smith, vp-sales

Michael P. Trepicchio, director-mktg.

Breon prods

Robert J. DeLuccia, vp-mktg, Winthrop

prods

Advertising Agency

Frank J. Corbett Inc., Chicago—all Breon

ethical prods—F.J. Corbett, mgmt super;

John M. Alderman, acct super.

Lavey/Wolff/Swift, New York—Neg-

Gram, Danocrine, Demerol, phisoHex, Hy-

paque, Tepeaque, Biopaque, Ampaque—

Charles Rockefeller, senior vp.

Robert A. Becker, New York—Talcen,

Talwin NX, Talwin Injection—Norbert

Lampert, vp-acct super; Edward Maitland,

exec vp.

Kallir, Philips, Ross Inc., New York—In-

ocor I.V.—J. Kallir, president; N. Cooper,

exec vp.

WINTHROP VETERINARY

Marketing Personnel

H. Dwight Koger, director-mktg and sales

Advertising Agency

Sawyer Advertising, Gainesville, Ga.—

veterinary pharmaceuticals and disinfect-

ants—Louis Sawyer, acct exec; Richard

Riley, acct super.

COOK-WAITE LABORATORIES

Marketing Personnel

Larry A. Falls, president

W. McKinney Dean Jr., D.D.S., vp-dental

director

Jim Laufer, Mary Lee Belleville, div mgrs

Advertising Agency

Paul A. De Jesse Inc., Freehold, N.J.—

Periograf, Alveograf, Carbocaine, Carbo-

caine with Neo-Cobefin, Marcaine with

Epinephrine; other local anesthetic solu-

tions, Carpule aspirator syringe, Greene

Trans-View and Darc-View X-ray film

mounts, Greene filmholders, record cards—

Paul A. De Jesse, president.

Stroh Brewery Co.

	1983*	1982*
Sales*.....	\$1,646,000,000	\$1,318,000,000
Earnings*.....	N/A	N/A
U.S. Advertising.....	73,532,000	55,548,000

although the idea was tested for Stroh Light. The company feared that a premium brand would be tarnished by coupons. Anheuser-Busch and Miller kept out of the couponing fray with the stated belief that couponing was for smaller brewers with a wider stable of popular-price and regional brands.

Reasons for the plunge into beer couponing were attributed to the shift in beer drinking habits, as people were scaling down and becoming more price-sensitive, and women, an increasingly important target to the beer industry, because most coupons were serviced at food stores where women historically do the shopping.

In May, Pabst Brewing, hoping to gain exposure in the Southeast, signed an agreement to exchange its brewing facility in St. Paul for Stroh's plant in Tampa, Fla. The plan did not involve any financial outlay.

In June, Stroh threatened to sue ABC Television Network and NBC Television Network for restraint of trade over the practice of selling product category exclusivities in sports programming, specifically United States Football League games and professional basketball. In July, the brewery hired David C. Martin, the top broadcast media exec at Campbell-Ewald, to head its media operation and to play a leading role in its battle with the networks. Stroh also sent its emissaries to meet with Justice Department officials in Washington to complain that exclusivities are anticompetitive.

In August, 1983, Stroh signed deals to sponsor on a nonexclusive basis "Monday Night Baseball" on ABC in 1984, two heavyweight championship boxing matches on NBC, and the "International Race of Champions" auto race series on CBS for the spring of 1984. Stroh also participated in NFL games in the fall of 1983 and purchased a sponsorship of the National Collegiate Athletic Assn. football games, both on CBS.

Stroh was able to buy sponsorships because both Miller and A-B were Olympic tv sponsors and had fewer remaining sports dollars. Peter Stroh said the brewer's advertising buys did not change his belief that the selling of product exclusivities in live-action sports violated antitrust laws. The FCC still is investigating.

In November, foes of beer, wine and liquor advertising pressed the Federal Trade Commission to consider bans on ads "targeted" to youths and heavy drinkers. They wanted the commission to adopt rules for alcoholic beverage advertising similar to restrictions placed on cigaret advertising.

The rules proposed by the 29 consumer and health groups in the Center for Science in the Public Interest coalition would ban broadcast and print ads reaching a large number of young people and heavy drinkers; force ads to carry health hazard warnings; ban youth-oriented marketing tactics; bar life-style ads, and ban use of celebrities in alcoholic beverage ads that encourage "excessive" consumption.

Stroh was concerned about the proposed rules because 80% of its ad dollars were spent on tv commercials.

Stroh began to look at more new products in late 1983, eyeing such potentials as an import, plus low-alcohol and flavored beers. The brewer wanted to compensate for unfavorable demographic trends (aging baby boomers). Stroh also considered flavored and low-alcohol beers for the nation's non-beer lovers.

In the spring of 1984, Stroh introduced its low-alcohol beer, Schaefer LA, with the theme: "The one beer to have when you're having more than one." The Stroh LA label opened the door to legal disputes with Anheuser-Busch, which had introduced its LA brand (Low-Alcohol) beer earlier in the year. A-B maintained that LA is its trademark. Stroh as well as Heileman, which also introduced an LA beer, maintained that LA was a generic or designative term that could not be trademarked. The two lost in court, however. Other brands continue to use the LA designation while litigation continues.

In the meantime, Stroh marketed its brands to various growth segments to

reach a higher market share. Signature was aimed upscale, leaving room below it for Erlanger, a narrow-distribution superpremium. Stroh's first priority was in strengthening existing brands, including the nameplate Stroh's and Schlitz. John Bissell, group vp-marketing, saw no conflict between the two regular beer brands.

"Stroh tends to have a younger, more upscale kind of consumer, and Schlitz tends to attract blue-collar and ethnic kinds of customers," Mr. Bissell said.

Stroh aimed Schlitz at blue-collar youth through such youth-oriented promotions as rock bands. Old Milwaukee, an intermediate-price brand, which Stroh has positioned against Budweiser and Miller in the marketplace and on the race track, "has terrific opportunity" since it was still a minor brand in the Central and Northeast states, according to Mr. Bissell.

Another acquisition, F&M Schaefer Brewing Co., plugged a hole at the low end. "In New York and Philadelphia, where advertising has been heavy, it's

an intermediate brand," Mr. Bissell said. In Puerto Rico, Schaefer was a premium beer and the sponsor of the Olympic team. For the rest of the nation, it remained an unadvertised price brand, much like Goebel from Stroh and Piel from Schaefer.

In early 1983, Stroh put a hold on its Schlitz marketing effort. The brewer allowed the troubled premium beer, Stroh's weakest national brand, to continue its sales slide, estimated at 30% a year. MCA Advertising won the Schlitz account on the theme: "America, your gusto is coming back." The account was resigned in the fall of 1982 by J. Walter Thompson USA.

Stroh named a new group marketing director to head its renewed efforts for Schlitz, Charles M. Hardin, who came from S.C. Johnson & Son. Until spring, the only marketing effort for Schlitz was through sponsorship of touring rock groups, such as The Who.

The first major marketing attack for the Schlitz brand began in April, with a strategy targeting the beer toward young, blue-collar drinkers.

The new campaign resurrected the "gusto" magic by incorporating it within the theme line: "Go for it, America, you've got the gusto now." Stroh continued to concentrate sales efforts in the Southeast, Southwest and "heartland" regions, where the brand suffered some erosion but remained relatively strong.

Packaging for Schlitz was changed with the relaunch. A brighter red was used on the label, and 12-pack and case cartons carried "beauty shots" of mugs of beer. Bottle shapes also changed. The Schlitz aim at blue-collar workers was meant to keep it somewhat away from the Stroh's brand market so the two did not compete directly.

"Bert and Harry Piel"—Bob Elliott and Ray Goulding-created characters—returned in a spot radio and outdoor drive in March. The theme was the 100th anniversary of both the Brooklyn Bridge and Piel's beer. Wyse Advertising's effort for Piel's carried the salute, "To the Bridge!" and "This call for a small celebration!"

In April, Stroh increased Schlitz malt liquor ad spending more than 35%. In another move, Stroh tested tv versions of radio spots with the theme, "I can count on my friends and my Strohs." Stroh's brand got about \$20 million of the ad budget.

Nonhumorous ads were tested in Cleveland, Birmingham, Ala., and part of West Virginia, all born from radio spots. The humorous "beer lover" campaign couldn't be translated from tv into radio. The brewer said it had to be careful the ads didn't become too witty. "There is some danger there and we have been working hard to shape the campaign in such a way as to present what we think are its greatest strengths," Mr. Bissell said.

Meanwhile, Stroh continued to use a humorous approach in its national tv advertising, including the spot where poker-playing beer drinkers send the dog to fetch a beer from the refrigerator. The ads were discontinued in July, 1984, however, because "we never intended for him to be a long-term spokesdog," Mr. Bissell said. Another



When you're the richest million people in Northern California, you don't spend it all in one place.

They may board a plane or ship in San Francisco. But the place-of-residence of Northern California's richest, most travelled million people is the San Jose PMSA (Santa Clara County), 50 miles to the south of San Francisco.

Santa Clara County is the Bay Area leader in generating air travel—28% of all resident business and over 28% of resident non-business air travel in the

entire 9-county San Francisco Bay Area.*

In the past year, 48% of Santa Clara County men and the same percentage of women have taken a commercial flight. Living and working amid the world's greatest concentration of high technology companies, they travel to earn—and enjoy—an impressive \$33,050 average household EBI†.

The only way to effectively reach this high-flying travel market is with the Mercury News. The complete Travel Section in an average Sunday edition reaches 63% of Santa Clara County adults. Weekdays, the Mercury News

enjoys a 5-issue reach of 66%‡.

The San Francisco Sunday Chronicle/Examiner's meager 12% reach will hardly get you off the ground.

If you want travel volume, you have to reach for the people who are going places in this world. That's why so many travel advertisers choose the Mercury News as their carrier.

THE SAN JOSE MERCURY NEWS
Reaching Northern California's richest million people!

*MTC, 1980. †Based on average household EBI, California Metro Markets. ‡San Jose "Continuing Market Study," 1983, Belden. *Sales and Marketing Management Survey of Buying Power, 1983. Represented by KNIGHT-RIDDER NEWSPAPER SALES.

worry was that Alex might come to overshadow the Strohm brand in the same way that Morris the Cat was believed by some to outshine 9-Lives catfood. A "non-Alex" supplementary spot then used Vincent Price as the voice of the devil.

In mid-December, Strohm ran newspaper ads to counterattack rumors that it supported presidential candidate Jesse Jackson. "Strohm offers \$25,000 to stop rumors," was the headline in ads that broke in Chicago, downstate Illinois and northwest Indiana. The ads, done in-house, said the rumors were "attempts to discredit Strohm and to hurt sales of Strohm products." A \$25,000 reward was offered for the identification of those who started circulating the allegations. Similar ads appeared in newspapers nationwide.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$767,300	\$412,400
Magazines.....	264,400	551,400
Spot tv.....	14,303,900	20,735,900
Network tv.....	37,774,200	9,403,900
Spot radio.....	10,532,400	12,667,400
Network radio.....	825,700	20,000
Outdoor.....	1,313,200	1,757,800
Total measured.....	65,781,300	45,548,800
Unmeasured.....	7,751,100	10,000,000
Estimated total.....	73,532,400	55,548,800

STROHM BREWERY CO.

Marketing Personnel

John Bissell, group vp-mktg
Huner Hastings, vp-brand mgmt
John Hellweg, vp-sales promo
David Martin, vp-Strohm Media Services director corporate media
Marsha Atwater, brand director—Schlitz malt liquor, Schlitz Signature, new prods
Raymond Gross, director, mkt rch & planning
Charles M. Hardin, mktg director, Schlitz Mike Jaeger, brand director—Strohm's, Strohm's Light
Stu Portnoy, director-mktg admin
Charles Powell, director—Old Milwaukee, Old Milwaukee Light
Barry Gesserman, brand mgr-Signature
Marilyn Hammond, brand mgr-new prods
Dick Hunsberger, brand mgr-Schlitz, Schlitz Light
Ed Kopecky, brand manager-Schaefer, Schaefer Light
Ray Kowalski, brand manager-Goebel, Goebel Light, Pils
Wayne Sindelar, brand manager-Schlitz Malt Liquor

Advertising Agencies

Badillo/Compton, New York—Schaefer Export—Jorge Rodriguez, vp; Juan Charana, acct exec.
BBDO, New York—Old Milwaukee, Old Milwaukee Light—Mike Levine, acct super; Lisa Patrick, acct exec.
Benton & Bowles, New York—Schlitz malt liquor—Ron Campbell, acct super; David Brophy, acct exec.
Bermudez & Associates, Los Angeles—Hispanic advertising on various brands—Eduardo Bermudez, president; Antonio Tamayo, acct exec.
Burrell Advertising, Chicago—Black advertising on various brands—Eugene Morris, mgmt super; Julius Jones, acct exec.
Marschalk Co., New York—Strohm's and Strohm Light—Frank Mangan, vp-mgmt service director; Paul Norwich, Rob Peterson, acct super; Marc Rappin, acct exec.
MCA Advertising, New York—Schlitz, Schlitz Light, Signature, Schaefer and Schaefer Light—Richard Sellers, exec vp; Chuck Curry, vp-acct director.
Ohlmeyer Communications, New York—special assignments—Phil Howarth, president and ceo.
Wyse Advertising, Cleveland—Goebel, Goebel Light and Pils—John Jefferson, acct super.

Tandy Corp.

	1983	1982
Sales*	\$2,780,000,000	\$2,510,000,000
Earnings*	281,900,000	278,521,000
U.S. Advertising	156,728,000	126,985,000

*Worldwide, fiscal years 1984 and 1983 ended June 30.

Tandy Corp., Fort Worth, the 40th leading advertiser, increased its advertising expenditures 23.4% in 1983, to \$156.7 million.

Sales of the world's largest consumer electronics retailer continued to improve for fiscal 1984, increasing 11% to \$2.78 billion, but net income squeezed out only a 1.2% gain to \$281.9 million.

Sales and income were heavily influenced by a poor 1984 fourth quarter in which net income dropped 21.6%, due in particular to poor sales of personal computers, especially the TRS-80 Model 4, which accounts for a quar-

ter of Tandy's computer sales. Sharp cuts in Apple Computer Inc.'s competing Apple IIe unit (from \$1,999 to \$1,299) and in several of IBM's models cut into the TRS-80 market.

During 1983, Tandy Corp. registered national media advertising of \$43.8 million, an increase of 29%. Retail advertising, which is not monitored for this issue, gets Tandy's top ad dollar of \$42.4 million in 1983. This largely local retail advertising expenditure was up 25.1% over the previous year. It was not included in the Tandy total. Network tv is Tandy's No. 2 medium, monitored at \$27.7 million, up from \$22.2 million in 1982, according to LNA.

Despite its gains, Tandy continues to face erosion of market share in the area that propelled it to its giant status: Computers. Although sales remain strong in that arena—contributing more than \$1 billion in sales in 1983—increased competition from better known brand names has pushed Tandy to further product innovation and a more aggressive marketing stance.

Competitors in the personal computer market, such as IBM, Compaq and Apple Computers, have made great strides in increasing share of market. Tandy, on the other hand, says it continues to be profitable in segments of the market where competitors—most notably Atari and Texas Instruments—have posted considerable losses. Further, Tandy continues to have a formidable advantage in distribution, through its nearly 1,000 Radio Shack stores.

Its Computer Centers—including stand-alones and expanded departments in Radio Shacks, known as Plus Computer Centers—now total more than 1,400.

This year, Tandy introduced its TRS-80 2000 business computer in a headlong attack against IBM. The introduction signals two major changes in Tandy's marketing philosophy. First, it bears the name Tandy, rather than Radio Shack, and secondly, the machine is to a degree IBM compatible, reflecting a trend in the marketplace toward standardization among computer users.

Ads for the Model 2000 tout its superiority to the IBM PC.

Additionally, in 1983 the company launched the TRS-80 Model 100, a portable computer, with a measured media buy of \$1.5 million. Preprogrammed and able to use standard phone equipment, the computer is acknowledged to be superior to many previous briefcase models. But Tandy officials are not apt to sit still in other product development areas.

Although computers have been the growth product for Tandy, the company is still powerful in other areas of the \$20 billion consumer electronics market.

Computer related sales contributed 34.6% of 1983 worldwide warehouse shipments (compared with 9.5% in 1979), followed by audio equipment and related accessories, with 18.2%. Shipments in the electronic parts category, including batteries and test equipment, were 13.2%, and toys, antennas, security devices, timers and calculators accounted for 12.5% of shipments.

The balance of shipments was in radios, phonographs, tv sets and other electronics, such as telephones and intercoms.

Telephones are emerging as a new growth area. The company, which tested four Radio Shack Telephone Centers, specializing in key systems for small businesses, expects to introduce 21 more—either individually or paired with its Computer Center outlets—in 1984.

Additionally, it is testing such equipment as a \$999 computer unit that links ordinary phones with switching systems, transferring calls, call forwarding and conference calls. It expects such phone systems to become popular for home use.

Recently, Tandy entered an agreement with Mobira Corp., a leader in Scandinavian mobile phone technology. Jointly, the two will manufacture and market cellular telephones, to be distributed in Radio Shack stores.

Other developments included an agreement with United States Communications Inc., New York, by which Radio Shack became the retail agent for direct satellite-to-home broadcast.

ADVERTISING EXPENDITURES

	1983	1982
Magazines.....	\$4,944,400	\$3,946,320
Farm publications.....	322,700	258,200
Business pubs.....	3,155,600	2,524,400
Spot tv.....	4,237,700	3,390,160
Network tv.....	27,715,800	22,172,600
Spot radio.....	3,496,900	1,719,600
Outdoor.....	200	160
Total Measured.....	43,873,300	34,011,400
Unmeasured.....	112,854,700	92,973,600
Estimated Total.....	156,728,000	126,985,000

TANDY CORP.

Radio Shack

Marketing Personnel

Bernard Appel, president
Robert Keto, exec vp-retail operations
Ron Stegall, senior vp-business prods
Robert Miller, vp-merch
David Beckerman, vp-adv
Mark Yamagata, director-merch, business computers
Ed Juge, director-mktg information
Mike Wood, genl adv mgr
Fred Roeben, admin adv mgr
Vincent Isgro, creative adv director

Advertising Agency

Central Advertising Agency (house agency), Fort Worth—Greg Lincoln, media director; Gail Graham, asst media director.

Texas Instruments

	1983	1982
Sales*	\$4,579,800,000	\$4,326,600,000
Earnings*	(145,400,000)	144,000,000
U.S. Advertising	129,842,000	70,728,000

*Worldwide

Texas Instruments, Dallas, is the 51st largest national advertiser, with \$129 million in total advertising in 1983 for a dramatic year-to-year increase of 82.5%.

The cause of the spurt in advertising—home computers—also was cause for the company's sizable decline in earnings for the year in which TI suffered a loss of \$145.4 million, compared with a gain of \$144 million the previous year, on sales of \$4.58 billion, up 5.8%.

TI spent an estimated \$23.4 million through most of 1983 promoting its extremely low-priced 99/4A home computer, but on Oct. 31, it ceased production of the computer, citing heavy losses as reason for the pullout.

The company continues to advertise the 99/4A, albeit nominally, and has slashed its prices to clear inventory.

Industry estimates show that during

the life span of the 99/4A, between 1 million and 1.5 million of the home computers were sold, making the machine the second most widely owned machine after the Commodore VIC-20 and slightly ahead of the Apple II line.

TI entered the home computer business in 1979 with a machine selling for more than \$1,000. That was a failure. When the price wars on home computers began to escalate in late 1982, TI was an eager participant. When the prices dropped to \$200, sales started to soar, and so did expenses.

TI began selling its 99/4A at \$99 to \$149 retail and a \$50 rebate. It soon became evident that the prices were too low and TI was losing money. Meanwhile, Commodore International, its chief rival, could continue to produce its VIC-20 at a relatively comparable price and at a profit. It was estimated that the machine TI was selling at a \$150 retail price was costing \$200 to \$250 to make.

For the future, TI's computer division is emphasizing its professional computer. The TI entry in that category was introduced in early 1983 with a \$10 million advertising campaign directed by McCann-Erickson, Dallas. More than 25,000 units were sold in 1983, and it is competing successfully in the IBM-dominated marketplace.

"There is no question that the basis for the increase in advertising was due to the heavy effort in marketing the 99/4A," said Peter A. Field, vp-corporate marketing, TI.

There were a number of campaigns—all under the direction of McCann-Erickson—that were aimed at marketing the 99/4A. The last series stressed the educational aspects that could be derived from the computer.

Now that it is out of the mass market for computers, TI is going back to its origins as a more industrial oriented company, concentrating on its semiconductors, data systems, metallurgical materials and electrical controls as well as government electronics and geophysical services.

In marketing TI's professional computer, Mr. Field said, the company late last spring launched a "Dare to Compare" ad campaign in which TI's professional computer is positioned next to IBM's for a side-by-side comparison of features.

Mr. Field says the campaign evolved from a series of articles done in a computer trade publication that concluded TI's computer is the one IBM should have built.

The comparison does not mention price—for a good reason, he said. "Price is a tricky thing to handle because we can't control the price at the retail level. So we expect the consumer to do his own price comparison."

Mr. Field said TI had a heavy advertising schedule in a combination of computer enthusiast, trade and business publications.

While the company will not release figures on how many units have been sold, Mr. Field said officials expect a "significant increase in sales in year two vs. year one."

The company also is placing considerable emphasis on its 26 calculators, the largest line in its consumer products group, despite its small share of over-all sales.

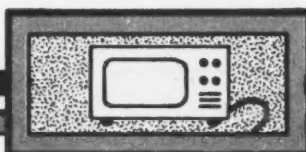
The company spent slightly more than \$1.5 million in advertising the calculators, ranging in price from \$5.95 to more than \$100.

TI appears to be intent on revamping its marketing approach—a sign many industry leaders consider healthy in that they believe TI's major flaw was in consumer marketing.

In personnel changes, TI hired Mr. Field, a top marketing official at Procter & Gamble, to develop and coordinate its marketing strategies in September, 1983.

Early in 1984, Fred Bucy was named ceo, taking over the position held by Mark Shepherd Jr., who remained chairman of the company.

A move in 1980 to consolidate TI's marketing and advertising efforts from the jurisdiction of 27 agencies into McCann-Erickson, Dallas, still is paying off in terms of the company gaining a cohesive image and campaign strategy, Mr. Field said.



The top 25 cable advertisers

Rank	Advertiser	Expenditures (\$'000)			
		1983	1982	1983 as % of total advertising exp.	1982 as % of total advertising exp.
1	Anheuser-Busch Cos.*	\$15,760.9	\$ 9,231.6	5.4	3.8
2	Procter & Gamble Co.*	15,172.2	6,779.0	2.0	0.9
3	General Foods Corp.*	11,290.3	10,242.0	3.1	2.4
4	General Mills*	10,258.8	4,143.1	3.8	1.7
5	Bristol-Myers Co.*	6,505.5	4,276.4	2.8	2.1
6	Time Inc.*	5,517.7	5,160.3	4.6	4.0
7	Toyota Motor Sales U.S.A.*	5,247.6	2,920.3	4.6	2.6
8	Ford Motor Co.*	5,087.0	2,791.9	1.1	0.9
9	General Motors Corp.*	4,549.3	3,834.6	0.1	0.7
10	American Home Products Corp.*	4,387.2	4,431.5	1.3	1.4
11	Eastern Air Lines*	3,342.8	1,632.7	4.8	2.8
12	Beatrice Cos.*†	3,213.0	N/A	0.5	N/A
13	American Telephone & Telegraph Co.*	2,789.3	864.3	0.6	0.2
14	Coca-Cola Co.*	2,604.5	1,482.9	0.9	0.6
15	Sears, Roebuck & Co.*	2,565.7	1,242.2	0.4	0.2
16	Wm. Wrigley Jr. Co.*	2,514.4	1,798.3	3.9	2.7
17	Kellogg Co.*	2,461.5	3,339.4	1.4	2.2
18	Bank America	2,247.2	433.8	N/A	N/A
19	Philip Morris Inc.*	2,181.6	2,364.2	0.4	0.5
20	Urban General Corp.	2,099.9	1,823.6	N/A	N/A
21	Clorox Co.*	2,093.7	369.6	3.0	0.5
22	Colgate-Palmolive Co.*	2,019.3	1,777.4	0.8	0.7
23	Warner-Lambert Co.*	1,996.7	1,503.5	0.6	0.5
24	Jeffrey Martin Inc.	1,845.6	6,844.8	3.5	11.4
25	Noxell Corp.*	1,811.6	403.3	3.1	0.8

Source: Broadcast Advertiser Reports
*Indicates a 100 Leading National Advertiser
†Includes Esmark

ADVERTISING EXPENDITURES*

	1983	1982
Newspapers.....	\$6,500,000	\$5,500,000
Magazines.....	37,270,000	11,114,000
Spot tv.....	26,600,000	16,600,000
Network tv.....	12,000,000	—
Spot radio.....	2,394,000	300,000
Total measured.....	85,162,000	33,514,000
Unmeasured.....	43,880,000	37,206,000
Estimated total.....	129,042,000	70,720,000

*Provided by TI

ADVERTISING EXPENDITURES†

	1983	1982
Newspapers.....	\$16,871,600	\$3,319,141
Magazines.....	11,695,200	2,196,600
Spot tv.....	18,080,000	13,283,200
Network tv.....	17,808,400	—
Spot radio.....	3,423,600	192,800
Total measured.....	67,878,900	18,991,741
Unmeasured.....	61,163,100	51,728,259
Estimated total.....	129,042,000	70,720,000

†From AA's usual sources

TEXAS INSTRUMENTS

Marketing Personnel

Peter A. Field, vp-corp mktg
Donald Scharringhausen, mgr-worldwide corp mktg communications
Dana Houghton, Digital Systems Group merch mgr
Dave Huffman, Semiconductor Group merch mgr
Ken Kessler, Consumer Group merch mgr
Edward Morrett, Industrial and Government Products Group merch mgr

Advertising Agency

McCann-Erickson, Dallas—Ron Reagan, Semiconductor acct exec; Alex Resley, Consumer acct exec; Lanny Houllion, Digital Systems acct exec; Hal Briscoe, Industrial and Government Products acct exec; Cormac Ryan, worldwide acct exec; Hermann Poertner, European mktg communications mgr; Masahiro Miki, Far Eastern mktg communications mgr.

Time Inc.

	1983	1982
Sales.....	\$2,717,000,000	\$2,371,000,000
Earnings.....	143,000,000	123,000,000
U.S. Advertising	119,785,000	130,124,000

*Worldwide

Time Inc., New York, the 56th largest national advertiser, decreased its advertising expenditures in 1983 to \$119.8 million, a drop of 8% from 1982.

The company had income from continuing operations of \$143.2 million, an increase of 17%, on sales of \$2.7 billion, a 13% increase over restated revenues of \$2.4 billion in 1982.

The 1983 earnings reflect a \$47 million loss from *TV-Cable Week*, which the company discontinued after only six months of publication, and a gain of \$24 million achieved through the sale of WOTV in Grand Rapids, Mich.

Time Inc. continued its fast-paced growth in fiscal 1984 with first quarter earnings from continuing operations of \$43.5 million, more than double the \$21.9 million from the corresponding period a year earlier. Revenues were \$693.8 million, an increase of 15%.

The year was marked by the company's concentration on its bread-and-butter business—media and communications. A major step toward this goal was the spinning off of its forest products operations, which accounted for 32% of the company's 1982 sales.

Time Inc.'s new goal is to achieve profitable growth in its two remaining businesses, publishing and video, as well as develop and acquire compatible new business that will yield high returns.

As Time Inc. celebrated its 60th year in the magazine business during 1984, the various magazines posted increases in rate base totaling 905,000. At the same time its share of the magazine advertising market rose to 21.4%. Revenues from the magazine group were \$1.13 billion, up from \$941 million in 1982.

Income from the magazine group of \$106 million, however, was docked the \$47 million in losses attributed to the defunct *TV-Cable Week*.

The largest advertisers in the magazine group included *People*, with a measured media spending of \$13.8 million, up 7%, and *Time*, which spent \$12.9 million, down 16%. For both publications, ad spending was concentrated in spot tv.

Time Inc. publications were once again among the industry leaders in attracting advertising. *Time*, with worldwide advertising revenues of \$397 million, ranked ahead of all other magazines for the 14th consecutive year. At

the same time, it raised its rate base from 4.4 million to 4.6 million copies a week in 1983.

Sports Illustrated had advertising revenues of \$183 million, placing it fourth among all magazines. It also raised its rate base to a new high of 2,425,000 from 2,325,000.

Other magazines, including *Money*, *Discover* and *Life*, raised their rate bases as well. Nearly all of them recorded sizable gains in advertising pages and revenues.

By contrast, Time-Life Books had a disappointing year. The division sustained heavy losses, much of it attributed to the costs of overhauling its operations in Japan. The Books division had revenues of \$485 million, down 21% from 1982 revenues. As one of the company's major ad spenders, the division budgeted \$12.9 million in measured media spending to Time-Life Books, up 13%. Book-of-the-Month Club products got \$5 million, down 13.8%; \$3.2 million for Little Brown & Co., down 33%, and \$1.1 million for The Quality Paperback Book Club,

down 15%.

In many ways, the company's most spectacular and profitable area continues to be video. The Video group had earnings of \$215 million on total revenues of \$1.09 billion. The video group operates American Television and Communications (ATC)—the nation's largest cable television company—and Home Box Office (HBO), the largest pay cable service in the industry.

ATC, which serves subscribers in 464 municipalities in 31 states, raised its total subscriber count to 2.4 million in 1983, up 14% from the previous year. Significantly, ATC refrained from joining the franchise scramble during the past year, primarily on the determination that municipal government demands preclude a fair return from new systems.

However, the company did not stay away from new opportunities. In partnership with several British companies, it won approval for cable franchises in Aberdeen, Scotland, and the Westminster section of London.

Time Inc.'s HBO operation continued to dominate the pay cable landscape, with its signals being beamed to over 13.5 million subscribers in 5,400 cable systems located in every state. However, the company continued to be concerned by the high "churn" factor, the rate at which subscribers left the system.

One reason for the high churn may be disaffection with HBO programming. HBO's own productions, such as "The Far Pavilions," received little critical praise. In fact, many of them found limited viewership as well. At the same time, viewer complaints about the repetition of HBO programs and the poor quality of many of these programs may have contributed to the churn.

HBO spent \$9.7 million in measured media in pushing its programs, down 15.5%. HBO's poorer cousin, Cinemax—third in the pay-cable universe—spent \$3.8 million in measured media, compared to about \$1 million in media in 1982. Cinemax added 700,000 subscribers in 1983 to boost its total subscriber count to 2.7 mil-

lion.

Amid all this, the company also pulled back from a number of video-related ventures. It concluded its experiment with teletext—a service providing data and entertainment on demand to home tv screens. It also ended its involvement with on-air television.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$11,427,800	\$20,186,700
Magazines.....	35,338,200	30,206,700
Spot tv.....	31,327,600	31,339,900
Network tv.....	5,012,800	10,861,900
Spot radio.....	624,600	2,286,500
Network radio.....	925,900	123,500
Outdoor.....	122,900	317,900
Total measured.....	\$84,779,800	\$94,323,100
Unmeasured.....	35,005,200	35,801,900
Estimated total.....	119,785,000	130,124,000

TIME INC.
Marketing Personnel

John A. Meyers, vp-publisher
Richard B. Thomas, vp-associate publisher, worldwide adv sales director
Robert B. Sweeney, worldwide public affairs director
George Berger, promo director
Robert D. McCoach, circulation director

The 1984 Ad Dollar Summary

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- Expenditures for more than 30,000 brands—listed in alphabetical order with parent company identification and media used.

PLUS

- The top 1000 companies with Ad Dollars listed by media.
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A complete summary of Ad Dollars from the PIB Service, BAR Broadcast Services, LNA Outdoor. The official industry figures prepared for MPA, TVB, RAB, OAAA used by every major advertiser and their advertising agencies.

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Name & Title _____

Company _____

Street & No. _____

State _____

Zip _____

PEOPLE

S. Christopher Meigher II, vp-publisher
Daniel E. Zucchi, associate publisher
William S. Myers, adv sales director
Robert B. Kyle Jr., promo director
Michael J. Owen, circulation director

FORTUNE

Edward Patrick Lenahan, vp-publisher
James B. Hoefler, associate publisher and adv sales director
Jeremy B. Koch, circulation director
David L. Nimz, promo director

DISCOVER

James B. Hayes, publisher
John Jay, adv sales director
Mitchell Rothschild, circulation director

MONEY

William M. Kelly Jr., publisher
Charles Rubens II, adv sales director
Michael Rich, promo director
Ruth Shields, circulation director

SPORTS ILLUSTRATED

Robert L. Miller, publisher
Donald J. Barr, associate publisher-adv sales director
John Heyd, promo director
Jan Volk, circulation director

LIFE

Charles A. Whittingham, publisher
Allen Wragg, adv sales director
Gilbert Lesser, promo director
H. McLean Smith, circulation director

TIME-LIFE BOOKS

William Henry, senior vp-mktg
BOOK-OF-THE-MONTH CLUB
Lewis M. Smith Jr., senior vp-mktg director

LITTLE, BROWN & CO.

David Goehring, mktg mgr, trade div
William A. Guthrie, adv director, trade div
Doreen Doe Rasio, publicity director
Timothy Robinson, genl mgr, law div
Leigh Stocker, mktg mgr, medical div
Janet Carlson, mktg director, college div

HOME BOX OFFICE

Frank Biandi, president, HBO Network group
John Billoc, senior vp-mktg
Richard Thomas, vp-affiliate mktg & mktg services

TIME-LIFE VIDEO

Dorothy Dunbar, adv and promo director
SELLING AREAS-MARKETING INC. (SAMI)
Carlyle C. Daniel, president
Charles B. Butler, vp-sales
Alan B. Miller Jr., vp-sales services mgr

Advertising Agencies

Ally & Gargano, New York—Time (circulation promo)—Peter Bates, mgmt super.
NW Ayer/Ayer Direct, New York—Time-Life Books—Carrie Hoodkiss, acct super, Gina Buttofo, media super.

Ted Bates Advertising, New York—Home Box Office Inc.—Sharon Mosse, vp-acct super (HBO); Lyn Feinman, vp-acct super (Cinemax), TV-Cable Week—John Noakes, exec vp; Saella Patterson, mgmt rep; Tim Corrigan, acct super; Mark Wynkoop, acct exec.

Creamer Inc., New York—Selling Areas-Marketing Inc. (SAMI)—Harvey Dreyer, acct super.

A. Eicoff & Co., Chicago—Time-Life Books—Ron Blivas, president-mgmt super; Francis Barson, vp-media director.

John Emmerling Inc., New York—Money (adv promo)—Jim Guthrie, acct super.
Geer, DuBois, New York—Life (adv promo)—Doria Steedman, acct super; Loyd Hayes, Dawn Drescher, acct execs; Kath Reys, media super. Life (circulation promo)—John Allen, acct sur.; Barbi Zakim, acct exec. Time-Life Video—John Allen, acct super.

Holland & Callaway Advertising, New York—People (circulation promo)—Jim Callaway, president-acct exec; Ron Holland, vp-acct super.

Ogilvy & Mather Partners, New York—Sports Illustrated (adv promo)—Sheri Ridgeway, acct exec; Barbara Smith, vp-mgmt super; Peter Walsh, acct exec.

Richards Group, Dallas—Sports Illustrated (circulation promo)—Brad Todd, mgmt super; Danny Green, acct exec.

Franklin Spier Inc., New York—Little, Brown & Co.—Erin McHugh, acct exec; Helen Strauss, media director.

Wunderman International, Montreal—Time International (circulation)—Alan R. Brodeur, vp-acct super.

Wunderman, Ricotta & Kline, New York—Time (circulation promo)—Worth Linen, vp-mgmt super; Jean Alexander, Michael Darling, acct execs. Time-Life Books—Worth Linen, vp-mgmt super; Judy Keane, acct super; Michael Darling, acct exec. Time-Life Records—Worth Linen—vp-mgmt super; David Henderson, acct exec.

Young & Rubicam, New York—Discover (circulation and adv promo)—Tom Spangenberg, mgmt super; Ron Neumenz, acct super; Terry Pranses, acct exec. Fortune—Tom Spangenberg, mgmt super; Terry Pranses, acct exec. People (adv promo)—James Tyrell, acct super; Robert D. Boucher, acct exec. Time (circulation promo)—Tom Spangenberg, mgmt super; Bernadette Murray, acct exec. Time (adv promo)—James Tyrell, acct super.

Toyota Motor Sales U.S.A.

	1983	1982
Sales*	\$36,386,099,000	\$15,096,252,000
Earnings*	\$39,950,000	\$85,249,000
U.S. Advertising	113,649,000	111,342,300

*Worldwide

Toyota Motor Sales U.S.A., Torrance, Cal., which holds a 23.4% share of the U.S. import market and 6.1% of the total market, is the 62nd leading national advertiser with advertising of \$113.6 million, up 2% from the previous year.

The company is a subsidiary of Toyota Motor Corp., a new corporate entity formed in 1982 with the merger of Toyota Motor Co. and Toyota Motor Sales Ltd. of Japan. The parent reported 1983 worldwide sales of \$20.3 billion, the highest in Toyota's history, up more than \$5.2 billion from 1982.

Sales in Japan account for 54% of net sales; exports the remainder. The company currently ranks third in worldwide production behind General Motors and Ford and is followed by Nissan in fourth place.

Total worldwide unit sales were 3,182,614, an increase of 0.9% over the previous year. But exports declined 1.1%, reflecting the global recession, the slump in demand in worldwide markets and import limits imposed by various countries, including the U.S.

Toyota set a U.S. total vehicle sales record in 1983 for the sixth consecutive year, with 726,818 units—555,766 cars and 171,052 trucks—up 7.7% over 1982 and topping the previous record of 714,020 set in 1981.

U.S. truck sales also set a record high for the ninth consecutive year, an 18.5% increase over 1982. The company wound up the year with a 2% decline in its share of the U.S. import market share, to 23.4%, and a 9% erosion in its share of the total market, to 6.1%.

Despite the market share drop, Toyota increased its measured advertising spending in 1983, although only slightly. The company spent \$80.1 million in six media monitored by Leading National Advertisers, up marginally from \$79.3 million in 1982. Toyota spent \$42.5 million on spot tv, \$22.9 million on network tv, \$12.4 million in magazines, \$2.3 million in outdoor and modest amounts in network radio and newspaper supplements. The tv expenditure was a flip-flop of the spending pattern set by competitor Mazda, which spent \$27.2 million in network and \$2.3 million in spot.

The Corolla once again was Toyota's U.S. sales leader, accounting for 143,430 units. Introduced in 1966, the Corolla has gained wide acceptance among drivers both in Japan and overseas. In March, 1983, cumulative production of the Corolla reached 10 million units, making it the first Japanese auto series to attain this level of production, a mark reached only by Ford's Model T, Chevrolet's Chevrolet and Volkswagen's Beetle. Measured spending for the Corolla was \$18 million, down from \$19.4 million in 1982. Spot and network tv grabbed 83% of the measured spending.

Toyota advertising for the 1984 model line was built around the idea that Toyota owners get special satisfaction from their vehicles. To convey this message, the company continued its use of the "Oh, what a feeling" theme. The redesigned Corolla model, which now includes front-wheel-drive family sedans and rear-wheel-drive models, was introduced with a series of tv spots set to the theme "Corolla, Reborn."

Toyota's fuel-efficient small truck line, also redesigned for 1984, received strong measured advertising support of \$28.5 million, some 66% of which was in spot tv and much of the remainder in network tv. This was up from \$23 million in 1982, an increase reflecting the continuing battle with Nissan, Mazda, Isuzu and its U.S. competitors for a bigger share of the small-truck market. Both LNA expenditure figures were just for trucks. An addi-

tional \$13.1 million was laid out for joint promotions of cars and trucks.

The campaign theme for trucks was "Toyota is turning the truck world upside down," a slogan that emphasized major changes in the truck product, including the addition of a larger Xtracab model.

Current truck ads continue that theme with the slogan, "Toyota is standing the truck world on its rear."

Two new products also received strong advertising support in the 1984 model year. The Toyota van was introduced with a "Wonderwagon" campaign (\$500,000 in measured media for the year) that stressed its handling and maneuverability.

Toyota's new sport-utility vehicle, the 4Runner, was introduced in mid-year with magazine ads illustrating its off-road versatility, recreational applications and five-passenger capacity.

Measured spending support of \$8 million also was provided for the Celica line, down from \$15.9 million in 1982.

An attention-grabbing device that appeared consistently throughout all of Toyota's tv advertising during the 1984 model year was the intermingling of consumer-oriented stories with product information. One such story showed Casey and the Mudville nine using their Terrel lifback to get them to the ballpark on time.

Highlights of Toyota's tv advertising schedule included spots on some of network tv's top series, including "Dallas," "60 Minutes," "Trapper John, M.D." and "The A Team." Toyota had exclusive automotive sponsorship of individual quarters of NFL games on CBS-TV during the regular football season, as well as on the Super Bowl.

Nearly \$5 million in the Toyota budget went to cable tv. Toyota, for example, bought packages on the sports-oriented USA Cable Network and super station WTBS. These figures make Toyota one of cable's most bullish sponsors.

In print advertising, Toyota ran gatefold spectaculars introducing new models in some of the nation's leading magazines. These included Life, Motor Trend, Newsweek, People, Playboy, Sports Illustrated and Time. Toyota advertises in some 40 national magazines.

Going into 1984, "Campaign buttons," a new syndicated package of 230 tv inserts, was acquired to obtain high visibility through the election year. Scheduled to air through January, the series of vignettes bearing Toyota advertising is sold to local tv stations and focuses on U.S. presidents and their races through historical news footage and rare footage from home movies of presidents.

Among the featured vignettes are Jimmy Carter's upset victory at the New Hampshire primary, Lyndon Johnson's decision not to seek reelection and Warren G. Harding's front porch campaign.

Early this year, the FTC gave final approval to a consent decree that cleared the way for Toyota and General Motors Corp. to jointly produce cars in the U.S. The project calls for annual production of 250,000 subcompacts for sale by GM, as well as an unspecified number of units by Toyota. The joint venture is expected to produce cars for 12 years, starting early in the 1985 model year, at a former GM plant in Fremont, Cal.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers	\$12,570,700	\$15,611,100
Magazines	12,416,400	10,890,800
Spot tv	42,505,900	44,792,100
Network tv	22,852,500	21,244,000
Spot radio	3,342,800	3,633,900
Network radio	20,000	249,600
Outdoor	2,284,100	2,111,800
Total measured	95,992,400	98,533,300
Unmeasured	17,656,600	12,809,000
Estimated total	113,649,000	111,342,300

Marketing Personnel

B. McCurry, group vp-sales, mktg and distribution
W.E. Christell, vp-mktg
W.G. Warner, corp mktg operations mgr
E.B. Brogan, corp public affairs mgr
J.C. Collins, natl adv mgr
J.R. Corey, adv mgr-creative
S.S. Voegel, adv mgr-media

Advertising Agency

Dancer Fitzgerald Sample, Torrance, Cal.
—Stuart Upson, chairman-ceo; Norm Lauchner, mgmt director; Jim Lindsey, mgmt super

Trans World Corp.

	1983	1982
Sales*	\$5,240,000,000	\$5,107,900,000
Earnings*	(7,700,000)	29,900,000
U.S. Advertising	101,503,300	91,614,900

*Worldwide TWC and TWA combined.

Trans World Corp., New York, the nation's 68th leading advertiser, spent \$101.5 million on advertising in 1983, an 11% increase over 1982. Advertising spending figures for 1983 include advertising for Trans World Airlines.

At the end of 1983, Trans World Corp. spun off TWA, resulting in the creation of two financially independent entities. The two companies issued separate annual reports for 1983.

Separately, TWC reported a 5.6% increase in revenues, to \$1.89 billion. Net income was \$144 million—a 17% increase over 1982. When new income from the airline is factored in, however, net income actually becomes a loss of \$7.7 million.

TWA, in its first report as an independent corporation, reported revenues of \$3.35 billion, with a net loss for the year of \$12.4 million. The results marked a 60% improvement over the 1982 loss of \$30.8 million.

The airline's results were also somewhat deceptive, because for all intents and purposes TWA ran two different airlines in 1983: A cash-draining domestic system and a profitable international system.

TWA's domestic pretax loss was \$191 million, 29% worse than in 1982. Economic recovery boosted the popularity of air travel, the company said, but also prompted extensive discount pricing to lure consumers returning to the market. As a result, increased travel did not result in increased revenues.

Internationally, however, U.S. tourists capitalized on the strong dollar to create what TWA called "a banner year in the trans-Atlantic market." Pretax profits from international flights totaled a record \$155 million.

The airline in mid-August, 1984, underwent a major senior management realignment. Richard D. Pearson, earlier appointed exec vp and chief operating officer, in effect picked his management team, which involved moving some European-based executives to domestic positions and vice versa. Neil Effman, senior vp-marketing, who arrived at the airline in 1981 and implemented some of its major strategies such as making St. Louis its hub, lost out in the shakeup and resigned. Mr. Pearson reports to C.E. Meyer Jr., president and ceo, who will concentrate on longer-term concerns including the exploration of broader business strategies.

In 1983, TWA was the only unprofitable subsidiary of TWC, which retained other subsidiaries—Century 21 Real Estate, Hilton International Hotels, Canteen Corp. and Spartan Food Services.

The spinoff was somewhat ironic because TWC had been formed in 1979 as a holding company for the airline and its subsidiaries, such as Hilton. By 1983, the airline itself had become a major drain on the holding company.

In efforts to restore the airline to profitability, TWA has laid off more than 3,500 employees—including 1,250 flight attendants—and asked many of the remaining 26,000 employees to take pay cuts. It also considered selling its Kansas City, Mo., maintenance base, to be replaced by the use of independent contractors who would service TWA planes.

Other moves include a shift away from discount pricing in the direction of standard per-mile pricing, and a corresponding shift in ad emphasis. Early 1984 campaigns have stressed service rather than price, playing up the airline's business class seats and wide-body aircraft.

Perhaps most important of all is a

route expansion initiated in April, 1984. In an attempt to lure domestic passengers into more profitable international travel, TWA added 12 cities to its network, so more passengers now can make international connections through TWA's Kennedy Airport hub.

The airline's domestic hub in St. Louis remains a site of concern to some analysts. Comparatively speaking, St. Louis is an isolated market lacking the air traffic of a number of Midwest cities used as hubs for other airlines.

Total ad spending for TWA was in the range of \$65 million to \$70 million, about a 25% increase from 1982. Company executives expected a slight increase in 1984.

Media strategy continued to emphasize spot tv and newspapers in 1983, with an increased emphasis on network tv in 1984, to attract premium travelers likely to respond to the airline's pitch. TWA spent \$8.4 million on spot tv in 1983, down 17%. It accounted for most of TWC's \$21.9 million in national newspaper advertising monitored by Media Records Inc.

Spartan Food Systems was the leading profit maker for TWC in 1983, reporting a pretax net of \$48.7 million on \$354.8 million in sales—a 24.4% gain in profits achieved by rapid expansion in the growing southern U.S. marketplace. Spartan operates 430 Hardee's franchises in the South, as well as the Quincy Family Steak House chain.

Spartan expects major growth from both chains, leading to a doubling of profitability within a few years. Spartan spent very little in national advertising for Hardee's, most spending being local. National spending in 1983 was about \$400,000.

Canteen Corp., a provider of restaurant, cafeteria and vending food services, increased profitability by 22%, to \$27.6 million, despite an increase of only 2% in revenues, to \$750 million. The explanation lay largely with Canteen's continuing shift away from industrial cafeteria outlets and toward recreational and executive dining facilities, areas that promise more growth and deliver higher profits.

Hilton International, operator of some 90 hotels worldwide, delivered \$43.1 million in profits on \$710 million in sales. Profit dropped 23%.

Slack overseas economies contributed to a 1% decline in occupancy rates, and exchange rate translations into the strong dollar skewed the actual performance.

The company hopes that increasing foreign travel will help bring profits back up, as will continuing expansion into the continental U.S.

Hilton International owns and operates the Vista International chain, with existing hotels in New York and Washington and three soon-to-open facilities in the Midwest. Hilton had only minimal measured ad spending of \$515,100.

Century 21 Real Estate had an excellent year, as home sales took off. Profits were \$20 million, compared with \$6 million in 1982, on sales of \$55.2 million, up 64%. Century 21 claims an 11% market share in the home buying market.

Century 21 should continue to thrive as long as the economy does. Ad spending totaled \$14.4 million, according to Leading National Advertisers, with network tv accounting for the majority of dollars. Spending was up from \$11.4 million in 1982, a 21% increase.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers	\$21,925,300	\$19,857,300
Magazines	6,817,100	4,354,300
Spot tv	13,034,500	13,392,700
Network tv	9,991,100	8,057,600
Spot radio	7,160,300	7,971,700
Network radio	723,200	185,200
Outdoor	851,800	543,900
Total measured	60,503,300	54,362,700
Unmeasured	41,000,000	37,252,200
Estimated total	101,503,300	91,614,900

TRANS WORLD AIRLINES

Marketing Personnel
Peter T. McHugh, vp-passenger marketing
Advertising Agency
Ogilvy & Mather, New York—domestic/intl passenger services—Tim Elliott, senior vp; Mark Goldman, vp.

UAL Inc.

	1983	1982
Sales*	\$6,821,848,000	\$5,319,799,000
Earnings*	\$42,845,000	\$8,762,000
U.S. Advertising	77,280,000	78,749,700

*Worldwide

UAL Inc., Elk Grove Township, Ill., the 78th largest national advertiser in 1983, spent an estimated \$77.2 million, down 2% from 1982's expenditure.

UAL is a holding company with four principal subsidiaries: United Airlines, Westin Hotels, Mauna Kea Properties (including the Mauna Kea Beach resort hotel and real estate holdings) and GAB Business Services (an insurance services and claims adjusting company).

The holding company reported \$6.02 billion in consolidated revenues in 1983, up 13% from 1982, reflecting revenue gains in all four lines of business, but dominated by United Airlines.

The airline division improved its average revenue per passenger mile and increased its air traffic.

Revenue per passenger mile increased to 10.7 cents, from 10.4 cents in 1982. The revenue per passenger mile, however, still falls behind the industry at large, which generated 11.6 cents per passenger mile in 1983, but was comparable to other large carriers, according to airline executives.

Consolidated net earnings more than quadrupled in 1983 to \$142 million, from \$30.8 million in 1982.

That pace has been maintained the first half of fiscal 1984, ended June 30, in which net income increased to \$148 million, from \$22.8 million a year earlier, and revenues increased 28%, to \$3.5 billion.

The airline's portion of that net income was \$137.5 million. Airline officials, however, note the pace likely will slacken during the second half as U.S. travelers with their strong dollars seek European vacation spots and the economic recovery begins to slow.

Despite continuing air travel industry competition, United Airlines was the company's main reason for its strong rebound in 1983. Air travel traffic improved along with the nation's economic recovery, boosting revenues 14%, to \$5.37 billion. Net earnings from airline operations after taxes jumped to \$120.7 million, from only \$2.2 million.

Part of the reason for the dramatic revenue gains, the company said, was the development of a strong hub-and-spoke schedule pattern at Denver, Chicago and San Francisco. The new schedule pattern designed to maximize United's revenue potential and take advantage of expanded flight connections.

In 1983, these airports alone accounted for 40% of United's total revenue passenger miles, up from 34% five years ago.

United also improved its economy by adding new "spokes," nonstop flights from its hub airports adding frequency on busy routes such as Chicago to New York, and by adding one-stop service to new cities at minimum cost by extending existing flights.

Fuel expenses declined 2% in 1983, even though United's capacity increased 10%, thanks to fuel price decreases, and productivity measures increased 5% per employee.

UAL's hotels businesses, including Westin and Mauna Kea, for the first time in several years did not provide the bulk of the holding company's earnings.

The hotel operations generated a 5% increase in revenues, to \$485.3 million in 1983. Net earnings, lagging about six months behind economic recovery, according to company officials, dropped 34.3% in 1983, to \$19.8 million.

GAB Business Services also posted revenue gains, but barely. The subsidiary reported operating revenue of \$163.8 million in 1983, up only 1%, but reported net earnings of \$1.5 million, compared with a net loss of about \$1.7 million the year earlier.

During the year, United Airlines

grew faster than the rest of the highly competitive air travel industry. United began service at 18 domestic and six foreign airports in 1983 including several new routes from the airline's three main hubs in Chicago, Denver and San Francisco, the new West Coast base.

The route expansion and increased traffic also allowed the airline to begin recalling employees laid off since the 1979 peak year.

The airline active employee head count increased 8% since 1982, to 44,800. The total is 18% less than the 1979 peak year.

United's industry share of the 36-carrier market also increased by 0.4%, to 18.8%, according to the company.

Though UAL total measured advertising dropped about 10%, to \$57.6 million, the company increased unmeasured marketing efforts, particularly in the airline subsidiary.

"One thing that has certainly improved at United is its more aggressive over-all marketing posture," said Al Norling, vp at the securities firm of

Kidder Peabody where he monitors airline activity.

Much of the improvement, he said, was various nonmeasured areas such as air terminal and travel agent displays and computer improvements that improved travel agent efficiency.

United also initiated three new advertising campaigns in 1983, spotlighting the Summer Olympics in Los Angeles, winter travel to Florida and its national "You're not just flying, you're flying the friendly skies" tv campaign.

The Olympic campaign, which was initiated in October, 1983, used former Olympic runners to offer the "5 million-mile challenge" to fliers.

The promotion promised that the airline would contribute one mile of air travel to the U.S. Olympics for every passenger flying United to the Olympics.

The airline calculated it fell just short of 5 million passengers but boosted traffic more than 15%, said United advertising and promotion director William F. Alenson.

The scheme generated 5 million

travel miles, which United donated to the U.S. Olympic team at a corporate cost of about \$500,000.

Olympic-linked tv spots featured "Parents," a salute to the parents of Olympic contenders; "Starting Blocks," featuring a business traveler, and "Big Shot," featuring a struggling weight lifter.

This summer the company introduced "Fever," featuring middle-aged people fantasizing about competing in the Olympics.

The "United shines to Florida" advertising, also introduced in late 1983 and continued in early 1984, was successful, Mr. Alenson said. The campaign, devised by Leo Burnett USA, as was the Olympic promotion, was meant to be a more aggressive replacement for its Al E. Gator animated campaign that had been used in previous winter vacation periods.

"We positioned ourselves as the leading carrier to Florida and added new flights and departure times accordingly," Mr. Alenson said.

United is pleased with results so far,

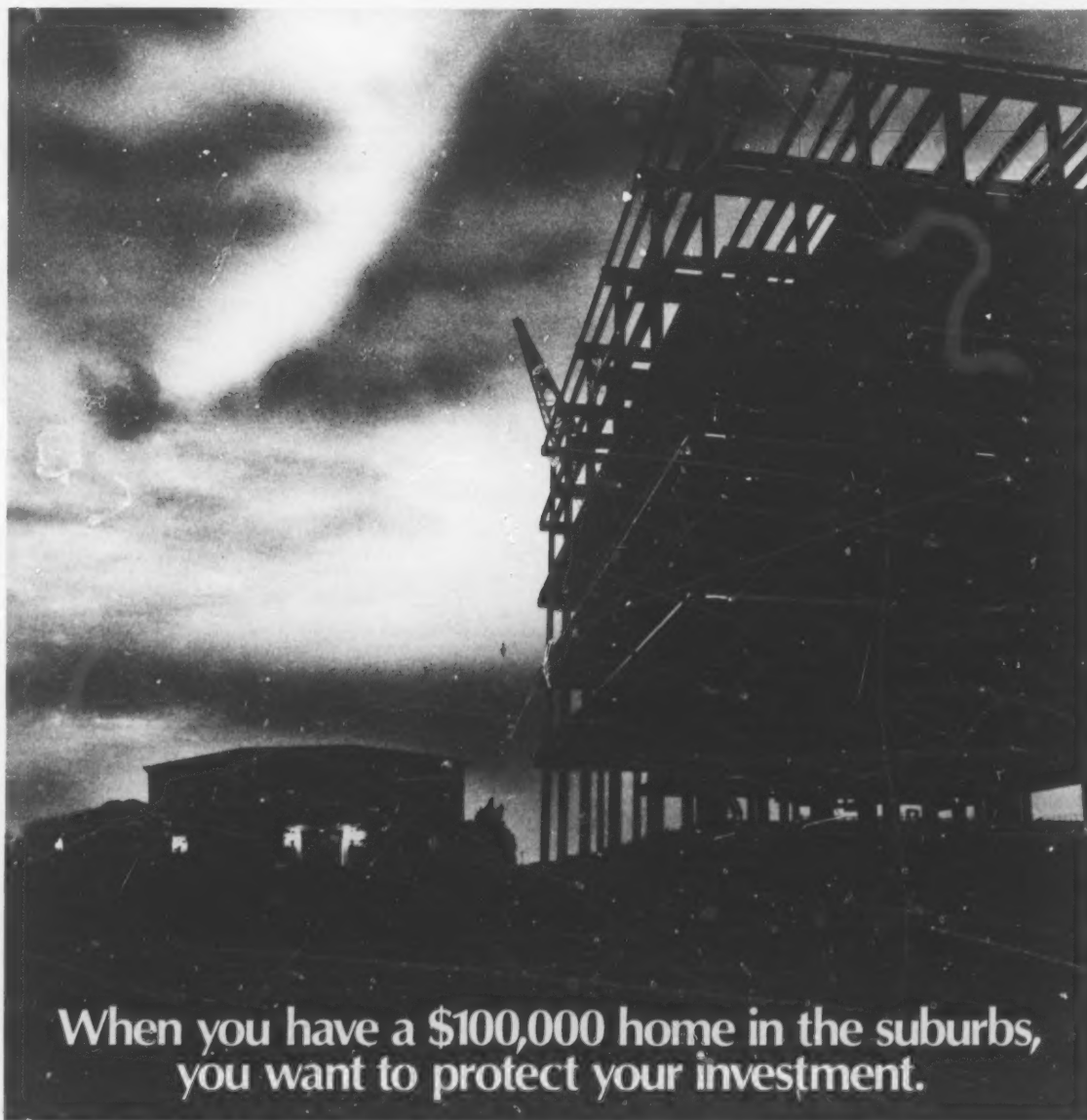
he said, and the campaign did generate more passengers, though he would not reveal how much traffic increased.

United's new national tv campaign probably will be the airline's main identifier for several years, according to Mr. Alenson, and the format by which it will introduce further promotions, such as the \$119 transcontinental fare introduced in July, 1984.

UAL's Westin hotel operation in 1983 opened hotels in Copley Place, Boston, the Galleria Dallas and in Ottawa, Canada. Hoteles Camino Real, S.A., Westin's Mexican affiliate, also assumed management for the world-famous Las Hadas resort in Manzanillo last year.

The Westin Hotel O'Hare, just outside of Chicago, opened in January, 1984, and the company plans a new hotel this year in Denver and an addition to the Century Plaza, in Los Angeles.

The Westin Man-Westin Woman print campaign run by Westin in 1983 to emphasize the new company name has evolved into a more traditional



When you have a \$100,000 home in the suburbs, you want to protect your investment.

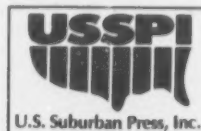
After all, a home is probably the largest investment a person makes in their lifetime. To protect its value, you'd have to know the circumstances that could hurt its worth, and prevent them from happening. You'd have to know about zoning board meetings, tax proposals, proposed school closings, and countless other proceedings. You can't find out about local issues and events from the network news.

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hotel-product direction playing upon the individual hotels, their facilities and services. The group spent \$2.5 million in measured media in 1983, up 56%.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$5,431,900	\$5,996,700
Magazines.....	4,704,000	3,855,600
Spot tv.....	23,539,300	25,825,100
Network tv.....	8,175,000	13,792,800
Spot radio.....	14,635,600	14,135,900
Network radio.....	846,600	495,200
Outdoor.....	293,000	117,600
Total measured.....	57,625,400	64,218,900
Unmeasured.....	19,574,600	14,430,800
Estimated total.....	77,200,000	78,649,700

Marketing Personnel UNITED AIRLINES

J.R. Zeeman, senior vp-mktg
J.E. Ruhaak, vp-adv and promo
J.C. Blackman, vp-genl sales mgr
D.C. Moonjian, vp-mktg mgmt

WESTIN HOTELS

W.P. Newman, senior vp-mktg
D.R. Evans, vp
U. Schwartz, vp
R.D. Olstad, vp
H. Cannova, mgr-reservations system
J. Weiss, mgr-travel industry sales

GAB BUSINESS SERVICES

Paul Dougherty, senior vp-mktg
Advertising Personnel
UNITED AIRLINES

W.F. Alenson, director-adv and promo
A.E. Sortwell, mgr-adv
W.D. Groundwater, mgr-adv
R.A. Veatch, mgr-promo
J.P. Grember, special projects mgr
L.K. Davis, mgr-Mileage Plus

WESTIN HOTELS

R.D. LaRue, director-adv and pr
Barbara Sand, adv mgr
Michele Holter, asst to director of pr

GAB BUSINESS SERVICES

Michael Gron, mgr-mktg

Advertising Agencies

Leo Burnett USA—United Airlines—Jim Thompson, vp-acct director; John Goad, vp-acct super; Ashton Lee, Jim Dotter, acct super; Anne McBeth, Dave Palmer, Suzanne Farrand, acct execs.

Cole & Weber, Seattle—Westin Hotels—Lee Bartlett vice-chairman; Sharon Lee, acct group mgr.

Marsteller Inc., New York—GAB Business Services—Tony Price, acct super.

Unilever U.S.

	1983	1982
Sales*	\$3,328,000,000	\$2,954,900,000
Earnings*	125,000,000	91,766,000
U.S. Advertising	324,865,000	304,582,200

*Worldwide

Unilever U.S., New York, which includes Lever Bros., Thomas J. Lipton Inc. and National Starch & Chemical Corp., is the nation's 15th largest advertiser, spending an estimated \$324.9 million in advertising in 1983, up 6.7% from 1982.

Combined sales of the three companies totaled \$3.33 billion, up 13% over 1982. Net income rose 37%, to \$125.8 million.

Earlier this year, Kenneth Durham, chairman, Unilever PLC, highlighted the results produced in 1983 by the multinational's U.S. businesses. He said Lever became profitable after five years of losses; National Starch recovered from difficulties a year earlier, and Lipton showed continued good progress.

National Starch net income rose 26%, to \$46.7 million. Sales totaled \$757 million, up 10%.

Lever, the largest Unilever U.S. operation, showed a net profit of \$14.6 million, an improvement of nearly \$19 million over 1982 and the first profitable year since 1977. Sales rose 16%, to \$1.565 billion.

Lever's household products division, the largest of the company's businesses exceeding \$1 billion in sales for the first time, made gains in both established and new products. In laundry detergents, Wisk, the No. 1 liquid, continued to make gains, rising to 8% at year-end in the \$3 billion laundry detergent market. Concentrated All, the company's leading powder detergent, held at about 5% market share.

Wisk received \$14.5 million in measured media and Concentrated All \$12 million. Investing \$2.1 million in mea-

sured media for Liquid All, the company resumed some tv advertising for the product, although it remains positioned as a "value brand." The company also revived the Surf name to launch a high-suds deodorizing detergent in Houston.

In dishwashing liquids, Lever capitalized on the successful Sunlight name by rolling out a companion automatic dishwasher detergent. The liquid has moved into fifth place in that \$950 million category, with an estimated 9% market share. Dove and Lux liquids, which together add another 5% to Lever's share, are unadvertised brands. Spending for Sunlight liquid was \$13.6 million.

The lemon-scented dishwasher detergent, which by yearend was in only 25% of the country, is positioned as especially effective for dishes that have been sitting. In some markets the brand has captured more than 20% of the category, cutting heavily into Procter & Gamble's Cascade. Nationally, the brand appears to be headed for a share in the high teens. Measured media spending last year totaled \$1.6 million.

Lever bar soaps also performed well, with Dove growing to 8.5% (in cases), a unit measure of market shares, and Caress to just more than 4% of the bar soap market. In keeping with the declining trend in deodorant soaps, Shield fell slightly to about 3.5%. Heaviest spending went into supporting Dove with \$13.4 million, followed by Shield at \$10.1 million and Caress at \$6.9 million. In an effort to put new life into Shield, Lever shifted the brand from J. Walter Thompson USA to SSC&B.

Lever continued its string of new product successes with Snuggle fabric softener, a brand positioned as offering softness comparable to the leading brand but at a lower price. The product has outperformed all of Lever's earlier projections, and there are plans to extend the line with a fabric softener sheet used in the dryer.

Snuggle has captured about 20% of the market. Spending last year totaled less than \$1 million as the brand began its rollout. Lever's Final Touch fabric softener, an established brand, rose to more than 15% of the category. Some \$9 million was invested in measured media for that brand.

Lever struggled to maintain a 20% toothpaste share as rivals P&G and Colgate-Palmolive finally introduced gel line extensions. The company also trailed those two competitors in adding a pump to its line. Aim gel in a pump dispenser is being rolled out.

As Lever's single largest advertised brand, Aim received \$16.5 million in measured media spending. Close-Up received \$10.8 million, but Pepsodent, the company's oldest brand, did not appear on the measured spending list.

Among other personal products, the company captured 6% of the highly fragmented shampoo market with Dimension and began testing a conditioner under the same name. Spending totaled \$6.1 million. Lever also continued heavy support for Impulse body spray, the first to be sold in the U.S. Advertising in measured media was \$7.6 million.

Spending for Signal mouthwash continued to decline to \$3.2 million in 1983 as the brand's share dropped to less than 10%.

In the foods division, Mrs. Butterworth's pancake mix was expanded into new markets and Imperial Light margarine rolled out nationally. The

company this year also bought Shedd's margarine from Beatrice Cos., adding about \$200 million in sales.

The biggest spending went into Imperial (\$2 million) and Mrs. Butterworth's syrup (\$2.7 million).

Unilever's major food entries in the U.S. come from Lipton, which reported sales of \$1.01 billion and net income of \$64.5 million.

The leading marketer of dry soups and teas, Lipton is expanding into a number of segments in the beverage business and is the exclusive distributor of G.D. Searle & Co.'s low-calorie sweetener Equal in food stores.

Lipton continued to pour heavy media dollars, \$15 million, into teas, with tea bags receiving \$7.2 million; iced tea mix, \$3.3 million; herbal teas, \$2.3 million, and \$1.1 million for flavored teas and bags.

Lipton was the first major tea marketer to introduce a low-caffeine tea product into several areas of the country. Tv spots show a husband and wife who "have found the newest way to be a Lipton tea lover" with 97% caffeine-free "100% real" tea. Lipton also markets English Blend tea and instant tea.

The company described Lipton iced tea mix with G.D. Searle's NutraSweet as its "pride and joy in the beverage division." Sales were 2.5 times greater than expected.

Lipton spent \$15.4 million to support its line of soups, including \$8.3 million for regular dry soups, \$6.1 million for Cup-a-Soup and \$1.1 million for Trim low-calorie soups.

The company introduced its first tomato-based dry soup, Tomato-Onion recipe soup mix this year and continued to phase in its no artificial ingredient formula throughout its line. In the Cup-a-Soup line, Lipton added two new Lots-a-Noodles varieties, tomato vegetable and cream of chicken.

Lipton repackaged and repositioned Wish-Bone salad dressing to regain momentum in a hotly contested category. The company invested \$4.9 million in measured media to support the brand, which was shifted to Foote, Cone & Belding, New York, from Bozell & Jacobs, Chicago.

Other brands receiving measured media support included Knox gelatin (\$1.4 million), the Lawry's line (\$2.5 million), mostly for seasonings, and Sunkist items (\$3.5 million).

Lipton introduced 17 different chilled and frozen juice beverages under the Sunkist name, related to a licensing agreement with Sunkist Growers. The company also tested a line of fruit rolls under the Sunkist name as well as Flavor Tree and Sahadi.

Late last year, Lipton began testing a three-item line of refrigerated sour cream dips.

Although the Good Humor line of ice cream products received minimal measured media support, the company is aiming to rejuvenate the business with new products, packaging and graphics.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$4,608,000	\$5,336,500
Magazines.....	13,020,400	17,484,200
Spot tv.....	55,789,200	43,765,000
Network tv.....	110,302,600	111,811,700
Spot radio.....	335,700	152,700
Network radio.....	683,300	766,800
Outdoor.....	45,900	65,300
Total measured.....	184,865,000	179,582,200
Unmeasured.....	140,000,000	125,000,000
Estimated total.....	324,865,000	304,582,200

LEVER BROS. CO.

Marketing Personnel

Richard C. Butler, director, Lever Media

Group HOUSEHOLD PRODUCTS DIVISION

Marketing Personnel

John R. Cookson, president
Andrew Seth, mktg vp
John R. Speirs, director-mktg
Richard A. Bachman, mktg mgr-bar soaps
Shelley A. Bigelman, mktg mgr-hard surface cleaners

George T. Mayer, mktg mgr-laundry detergents

David B. Sharp, mktg mgr-fabric softeners

George J. Franzen Jr., sales vp

Edward L. Kiefhaber, genl sales mgr

Gloria B. Dargason, mktg rch director

Bonnie J. Carlson, director-promo services

Advertising Agencies

Ogilvy & Mather, New York—Dove bar, Final Touch—Jack Reed, senior vp-group director; Gerry Lantz, vp-mgmt super; Steve Carter, vp-acct super, Final Touch; Lea Della Morie, acct exec, Dove; Lynne Brooks, acct exec, Final Touch.

J. Walter Thompson USA, New York—Lux, Dove liquid—John Maher, mgmt director; Steve Dworin, acct director; Gary Steele, Eileen Laymon, Dean Schwartz, acct super.

SSC&B, New York—Concentrated All, Liquid All, Dishwasher All, Shield, Lifebuoy, Snuggle—Terry Rosenquist, exec vp; Claire Berkley, vp-mgmt super; Tom Eley, account super, Concentrated All; Lisa Blonkvist, acct exec, Concentrated All; Nancy Korda, acct super, Snuggle; Andrea Strone, acct exec, Snuggle; Linda Stotter, account super, Dishwasher All and Shield; Jack Flannery, acct exec, Dishwasher All and Snuggle.

BBDO, New York—Wisk, Sunlight, Caress, Lux liquid, Breeze—Ken Rogers, exec vp-senior mgmt rep; David Seal, vp-mgmt super; Alex Carlin, vp-acct super; Gary Bernstein, Anne Farrow, King Lai, Walter Fellows, acct execs.

Sudler & Hennessey, New York—professional promo, Dove bar—Bob Brancaccio, mgmt super; Peter Christopher, group director; Ted Laurence, acct exec.

PERSONAL PRODUCTS DIVISION

Marketing Personnel

Arthur C. Unger, president
Donald E. Karlson, mktg vp
Stephen B. Galasso, mktg mgr-hair, skin, fragrance, oral

Eugene C. Marotta, mktg mgr-oral hygiene
Paul E. Regan, sales vp
Patrick J. Peters Jr., genl sales mgr

James D. Clokey, mktg rch director

Carl J. Napor, promo planning director

Advertising Agencies

Ogilvy & Mather, New York—Aim, Dimension—Cliff Angers, senior vp-group director; Penny Bernstein, vp-mgmt super; Patti L'on, acct super.

J. Walter Thompson USA, New York—Close Up, Impulse—Peter Schweitzer, mgmt director; Steve Dworin, acct director; Bea Lothrop, Bill Gross, senior acct super; Ivy Wolpin, Mary Ann Rothberg, Sabina Tobler, acct reps.

SSC&B, New York—Pepsodent dentifrice, Pepsodent and Life Line toothbrushes—Alan Grazio, exec vp-sr mgmt officer; Gunnar Wilmot, senior vp-mgmt super; Linda McCreight, account super.

BBDO, New York—Signal—Ken Rogers, exec vp-senior mgmt rep; Margaret Evans, vp-mgmt super; Men Runkel, vp-acct super; Lauren Abbe, acct exec.

Sudler & Hennessey, New York—professional programs for Aim—Bob Brancaccio, mgmt super; Peter Christopher, group director; Ted Laurence, acct exec.

FOODS DIVISION

Marketing Personnel

William G. Pietersen, president
Richard F. Gaccione, mktg vp
Michael E. Bauer, mktg mgr

Simon J. Rothson, mktg mgr

Celene Varasano, mktg mgr

Leonard C. Giambone, sales vp

Geraldine Russo, mktg rch director

Advertising Agencies

Ogilvy & Mather, New York—Imperial margarine—Cliff Angers, senior vp-group director; Penny Bernstein, vp-mgmt super; Catalin Kovago, acct super.

SSC&B, New York—Autumn—Alan Grazio, exec vp-senior mgmt officer; Gunnar Wilmot, senior vp-mgmt super; Linda McCreight, acct super.

McCann-Erickson, New York—Promise margarine—John Boyd, senior mgmt rep; Ted Donahue vp-acct director; Wendy Ross, acct exec.

BBDO, New York—Mrs. Butterworth's—Ken Rogers, exec vp-senior mgmt rep; Margaret Evans, vp-mgmt super; Ken Runkel, vp-acct super; Lauren Abbe, acct exec.

Stone & Simons, Southfield, Mich.—Shedd's spread, Country Crock spread—Charles Stone, president-mgmt super; Christopher Gaffield, exec vp; Howard Dembs, acct super; Doug Stone, acct exec.

SPECIAL MARKETS DIVISION

Marketing Personnel

Gerald V. Batti, vp

Edward R. Sherwood, mktg director

Richard H. Schaefer, mkt devel mgr

James J. Barone Jr., genl sales mgr (armed forces domestic)

Thurlow C. Morgan, genl sales mgr (civilian markets)

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S. Ray Marks, sales planning director
Advertising Agencies
 Cadwell-Reingold Group, New York—
 military market, Hawaii, Alaska, Guam—
 Harry Reingold, exec vp-mgmt super.
 SSC&B, New York—selected brands for
 Puerto Rico, Virgin Islands.

INDUSTRIAL DIVISION—
Marketing Personnel
 Conrad W. Petersen, genl mgr
 Riley N. Stone Jr., mktg mgr
 Harold W. Jackson, sales mgr (detergents &
 chemical toiletries)
 Joseph P. Kysel, mgr (detergent & chemical
 prods)
 Anthony F. Del Balso, sales mgr (govern-
 ment acc'ts)

Advertising Agency
 Richard Lewis Corp., Scarsdale, N.Y.—
 Richard Byer, president.
THOMAS J. LIPTON
Marketing Personnel

Dolph W. von Arx, exec vp-genl mgmt
 group
 Gerald B. Boyce, vp-beverage div
 James W. Benson, vp-foods div
 Edmund Ladendorff Jr., vp-mktg support &
 devel

Max J. Ballard, genl mgr-Good Humor
 Peter Newton, genl mgr-Food Service
 Walton Alder, director-sales promo and
 coordination

Vivian Bruno, director-mkt rch
 Bruce Hoenig, director-media services
 Theodore Labiner, director-creative services
 David P. Bell, director-soup and meals
 Allen L. Carlson, director, beverage
 mixes/new projects

Franklin H. Claire, director-ready-to-drink
 beverages

Arthur P. Gonis, director-regular and herbal
 tea prods
 Richard P. Kundrat, director-new food
 projects

Angelo Lamantia, director-snack foods
 Anthony G. Montuori, director-condiments
 and desserts

Daniel J. Morrison, director-pasta and side
 dishes

Advertising Agencies
 SSC&B, New York—Teas, Cup-A-Soup,
 Good Humor Ice Cream—Harold Rover,
 vice chairman; Donald Linton, Edward
 Parker, senior vps-mgmt supers; Linda
 McCreight, Robert Nadelman, Jody Wieth-
 off, R. Douglas Harting, vps-acct supers.
 Rumrill-Hoyt, New York—Flavor Tree
 Fruit Roll and Snacks—Henry E. Dunn, se-
 nior vp-director of admin.

Albert Jay Rosenthal & Co., New York—
 Food Service—Marvin Haas, mgmt super.
 Bozell & Jacobs, Chicago—Lipton Nod-
 dles & Sauce, Lipton Rice & Sauce, Pennsylv-
 ania Dutch Egg Noodles, Knox Gelatin—
 Jerome Reskin, senior vp-mgmt super; Jo-
 seph Lapewich, senior vp-acct super; Mi-
 chael Peroff, vp-mgmt super; Sven We-
 lander, acct super.

Foot, Cone & Belding, New York—
 Wish-Bone Salad Dressing, Sunkist Juices,
 Juice Drinks and Fruit Rolls—Charles R.
 Evans Jr., senior vp-group mgmt director;
 Nancy Beck, vp-mgmt director.

Young & Rubicam, New York—Lipton
 Soup Mix—John Hatheway, exec vp-group
 director; Edward Concannon, vp-acct super;
 Cathy McCarthy, acct exec.

Dailey & Associates, Los Angeles—
 Lawry's Foods—Stephen Chabre, exec vp,
 acct group director; John Hartig, acct exec.

Union Carbide Corp.

	1983	1982
Sales*	\$9,001,000,000	\$9,061,000,000
Earnings*	79,000,000	310,000,000
U.S. Advertising	\$8,000,000	\$3,699,000

*Worldwide

Union Carbide Corp., Danbury, Conn., which recorded \$9 billion in worldwide revenues, off 0.7% from the previous year, was the nation's 73rd largest advertiser with \$88 million in estimated advertising expenditures, up 5.1% from the previous year.

The largely industrial company concentrates its ad spending on consumer product lines for Eveready batteries, Glad bags, Prestone and Simoniz. Revenues from this product area were nearly \$1.9 billion, or 21% of total revenues, a decline of 2% from 1982.

The U.S. contribution to sales was \$6.189 billion, up 2.3% from 1982. The U.S. also represents 70% of worldwide advertising expenditures of \$126 million.

Union Carbide's 1983 net income did not reflect the year's recovering economy. Net income worldwide in 1983 was \$79 million, although it includes a non-recurring facilities closing charge. Otherwise, net income would have been \$219 million. Still, that represents the fourth straight year that net income has dropped since 1980's earn-

ings to \$673 million.

Union Carbide, however, in the first half of fiscal 1984 seems to be gaining momentum. It reported net income of \$233 million on sales of \$4.8 billion, compared with net income of \$110 million on sales of \$4.3 billion the first half of fiscal 1983.

Last year, measured ad expenditures in the U.S. totaled \$51.8 million, down slightly from 1982's \$52.4 million.

Seventy-seven per cent of ad expenditures went to tv. However, Union Carbide's use of the medium continued to level after jumping a whopping \$10.6 million in 1981, to \$42.4 million. Last year, tv ad spending was slightly less than \$40 million. A little more than half was for battery products.

According to Leading National Advertisers, Eveready's six-media total registered almost \$22.4 million, an increase of 3.8% over 1982.

The Energizer battery received most of the line's ad outlay. Its tv campaign features slice-of-life situations in which the battery is required. In the

last quarter of the year, the company supplemented support for the battery with a series of testimonials from satisfied users.

Eastman Kodak Co.'s new line of batteries, due in 1985, may increase competition between the battery market leaders, Duracell and Energizer. Kodak's introductory advertising is budgeted for about \$20 million.

Measured media support for the Glad bag line declined 21.7%, to \$14 million, according to LNA. The Glad line includes bags for food storage, sandwiches, trash and garbage. Union Carbide claims it is the No. 1 brand in food stores.

Last year was a busy one as Glad introduced six products, including bags that smell good, Snap Lock-brand bags, and bags that tie with their own handles.

"Happy Days" tv star Tom Bosley is spokesman and was featured prominently in the campaign to introduce the new Handle-Tie products.

During the year, Glad added coupon inserts in Sunday newspapers to its

media mix. Glad also uses direct mail and other forms of couponing to stimulate consumer purchase.

Prestone antifreeze, the leading seller in its market, received \$7.5 million in measured media, an increase of 21.3% from 1982.

Tv sports programs figure prominently in the company's campaign to reach that product's user group. The focus of the campaign begins in late

summer, stretching through the baseball playoffs and World Series, and crossing to "Monday Night Football."

For promoting its Simoniz car wax line, Union Carbide combines tv time during the spring and a racing sponsorship program, which included sponsoring a car in the Indianapolis 500.

Union Carbide increased its six-media total for Simoniz by 364%, to \$2.3 million. Almost \$1.8 million of

KNOW THY COMPETITION

See page 137

LNA

NATION

Economic indicators steady

LOCAL

Support of education strong

BUSINESS

Tech corridor expands



126th year

Rocky Mountain News

Every Morning

Denver, Colorado

Where Denver turns for News.

The Rocky Mountain News broke ground Monday for a \$14 million expansion of its offices in downtown Denver.

William W. Fletcher, general manager of the News, issued the first spade of earth during a formal groundbreaking in what is a parking lot next to the News building at 400 W. Colfax Ave.

"I know this is an exciting day for a lot of you," Fletcher told the audience of 125, most of them newspaper employees.

Ralph Looney, editor of the News, joined Fletcher to turn the second spade.

"I think it's significant that the Rocky Mountain News is breaking ground for its new building in its 126th year," Looney said.

The News, with the largest daily and Sunday circulation in Colorado and the Rocky Mountain West, has been located at the Colfax Avenue site since 1858.

The construction schedule calls for the 3-story

building, plus one level of underground parking, to be completed in the fall of 1985, said John B. Rogers, chairman of RNL, Inc., the Denver architectural firm that designed the building.

After employees occupy the new business and editorial offices, the old plant will be remodeled and faced with Indiana limestone to match the addition, Rogers said. That phase of the project is to be completed by the spring of 1986.

As part of the remodeling, 20 feet will be off the front of the existing building.

The News is in line with the U.S. City and County Building and extending the

Center, Rogers said.

"The real key to this building is making it a modern, functional, and comfortable place to work," he said.

Design features of the building include a height of 100 feet on a lot that is 100 feet wide. The building will have a covered two-level lobby.

The new building will be a landmark in downtown Denver, and will be a source of pride for the city and county.

The new building will be a landmark in downtown Denver, and will be a source of pride for the city and county.

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Advertisers turn for results.

The Rocky Mountain News, where the quantity and quality of audience delivered, brings advertisers results!

#1 In Quantity: The News reaches more adults in one weekday issue than the Post reaches in five.

#1 In Quality: The News has more daily readers among college grads, professional/managerial occupations and households with incomes of \$50,000 plus, than the Post.

Turn to the Rocky Mountain News for results now... call Paul Campbell, Manager, General Advertising—(303) 892-5304.

Source: Simmons 1982 National Study of Local Newspaper ratings SPMSA

A SCRIPPS-HOWARD NEWSPAPER REPRESENTED NATIONALLY BY: STORY & KELLY-SMITH, INC.
 ATLANTA • BOSTON • CHICAGO • DALLAS • DETROIT • LOS ANGELES • NEW YORK • PHILADELPHIA • SAN FRANCISCO

that increase was in promoting the new Simoniz Bodygard car wax on network tv.

Union Carbide's industrial businesses generated the remaining 79% of total sales for the company last year. Petrochemicals contributed the largest chunk, \$2.55 billion.

In recent years, Union Carbide has been emphasizing its service and engineering capabilities. Last year, the company formed an engineering and technology services division to act as the spearhead for its aggressive thrust in that direction.

In addition to marketing the company's products, the new division will license Union Carbide's technologies and engineering skills. It also will provide project management for licensees.

Initially, Union Carbide has faced widespread criticism for licensing its technology, but the company says such a strategy allows it to enlarge its international presence in processing industries through technology and marketing capabilities rather than by spending vast amounts of capital.

Probably the company's technology in most demand is the Unipol process to produce polyethylene and polypropylene plastics. Among its commercial applications, the process is used in making products for the Glad line.

Union Carbide also entered the electronic market in 1983, with the opening of a plant that produces polycrystalline silicon, which is used for the production of semiconductors.

During the year, Union Carbide moved \$3 million worth of Simoniz and Prestone carcare spending to Ally & Gargano, New York, from Leo Burnett USA, Chicago. Burnett retains the \$5.5 million Prestone antifreeze account.

Union Carbide also added Mintz & Hoke, Avon, Conn., to handle molecular sieves, catalysts and process systems division, and Ogilvy & Mather, Atlanta, to oversee agricultural products.

field, Conn.—electrode systems div—George Crosby, vp-acct super.

Fletcher/Mayo/Associates, Atlanta—agricultural prods div—Dennis Eilers, acct super.

Needham, Harper & Steers, New York—chemicals and plastics—H.F. Berteau, acct super; Abby Mann, acct exec.

Poppe Tyson, division of D'Arcy MacManus Masius, New York—chemicals, Linde div, carbon fibers—F. Messner, Howard Gauvain, Diane Frattine, W. Mustschler, acct execs.

Marquardt & Roche, Stamford, Conn.—engineering prods and processes—Bill Hinds, acct exec.

J.P. Hogan Inc., Knoxville, Tenn.—chemicals & plastics—R.J. Luedeka, acct super.

Leo Burnett USA, Chicago—home and automotive prods—Bill Haljun, mgmt director; Neil Lichtman, vp-acct super; Paula McLeod, Warren Guthrie, acct execs; Glad prods; Hank Feeley, mgmt director; David Smith, acct super; Mike Peters, acct exec, Prestone Anti-Freeze.

Ally & Gargano, New York—Simoniz car waxes and Prestone car care products—Dennis Visich, mgmt director; Louis Kilgoff, vp-acct super.

Garrison Jasper, Rose & Co., Indianapolis—coatings service, cyrogenic equipment, engineering prods and Linde div—Tom Jasper, Jim Gray, acct execs.

Manning & Associates, San Diego—materials group electronics div—Donald S. Manning, acct mgr.

Downs Group, Charlotte, N.C.—electronics div—Tyler Glen, acct exec.

William Esty Co., New York—battery prods div—Richard Van den Bosch, senior vp-mgmt super; S.E. Moynahan, vp-mgmt super; Whitney Beebe, vp-acct super; D.J. Jordan, senior acct exec; M.J. Nelson, W. Gibbons, acct execs.

Mintz & Hoke, Avon, Conn.—molecular sieves, catalysts and process systems div—Joseph M. Hoke, president-creative director; Dale Kesel, exec vp-genl mgr.

Ogilvy & Mather, Atlanta—agricultural prods div (specialty markets)—Ed Brown, acct super.

U.S. Government

	1983	1982
Sales.....	N/A	N/A
Earnings.....	N/A	N/A
U.S. Advertising.....	228,857,200	205,453,100

Robust spending by the U.S. Postal Service and Amtrak set the pace for an 11.4% increase in U.S. government ad expenditures during 1983, pushing the total federal ad budget to \$228.9 million. Even with an unexpected decline in military ad spending, a strong showing in other government sectors broke a two-year pattern of single-digit government ad growth and established Uncle Sam as the nation's 28th largest advertiser.

Although military spending remains the centerpiece of government ad expenditures—it comprised about 67 cents of every federal dollar spent in 1983—it was the government's entrepreneurial operations that scored the largest advertising increases last year. Quasi-private sector enterprises such as the U.S. Postal Service and Amtrak notched ad budget increases of 47% and 21%, respectively, while military ad spending dropped by about 1%.

Pentagon ad personnel note the Reagan administration's support for over-all military spending remains steady, but say the President's budget experts are putting the squeeze on the military's spiraling ad contracts. For example, three of the seven armed forces ad programs had budgets trimmed in 1983.

Despite the decline in military ad spending, the Pentagon continues to outspend all other government advertisers by a margin of 2 to 1. In 1983, the military ad budget totaled \$153.8 million, down slightly from 1982.

A breakdown of Pentagon ad spending highlights the winners and losers in fiscal 1983 ad spending:

- The Army (N W Ayer, New York), led all government advertisers with an \$85.1 million budget, up 4.3% from 1982. Over-all spending was divided between the active Army, \$62.5 million; Army ROTC, \$6.4 million, and the Army Reserve, \$16.2 million.
- Navy (Ted Bates Advertising/New York), \$16.5 million, down 4.2% from 1982. Next year's budget is expected to dip to an estimated \$12.9 million.
- Marine Corps (J. Walter Thompson

USA, Washington) \$11.9 million, down 16% from 1982.

- Air Force (D'Arcy MacManus Masius, New York) \$15.3 million, up 5.5% from 1982.

- Army National Guard, \$3.5 million, and Air Force National Guard, \$1.2 million (both Needham, Harper & Steers, Washington). The Guard witnessed the largest ad decline in 1983, down 53% from 1982. A slight increase is expected for the 1984 fiscal year.

- The joint military recruitment campaign (Grey Advertising, New York) notched a 6% increase over 1982, to \$19.3 million.

- The Coast Guard (Thomas Buffington & Associates, Washington) up 53% to \$1 million.

Compensating for the decline in military spending were paid campaigns by nonmilitary government advertisers and a slew of smaller public service ad campaigns produced by federal agencies.

The USPS continued to deliver strong ad spending during 1983. Its \$29.6 million ad budget was a substantial increase over its \$20 million allocation in 1982. Although the Postal Service refuses to elaborate where its ad dollars are spent, some estimates say that about two-thirds of all advertising went to promote its Express Mail overnight service.

The Postal Service ad campaign also centered on its E-COM electronic mail system and other business and consumer services using both paid and public service advertising. This year's ad budget will be about \$38 million, USPS officials said.

Amtrak ad spending steamed ahead in 1983 with the help of higher passenger volume and an estimated revenue increase between 15% and 20%. Officials for the government-subsidized passenger rail system said advertising expenditures increased 21%, to \$20.8 million in 1983. A comparable increase is expected this year.

Officials for the rail system said its Needham, Harper & Steers-produced "All Aboard Amtrak" campaign has been successful in luring long-distance travelers who would otherwise take air transportation. Although Amtrak notes the number of passengers is up only slightly, the average price per ticket sale is higher than in previous years.

The U.S. Mint's Olympic Coin program, which began in 1983 with a modest ad budget of \$5.5 million, peaked this year. Using the theme "Support the Home Team," the \$22 million national tv campaign ran throughout the summer. In addition, the Mint expects to resume a national ad campaign for its dormant U.S. Gold campaign, which spent about \$2 million in 1983.

Also expected to break this year is an estimated \$1 million overseas campaign sponsored by the U.S. Travel & Tourism Administration. The tourism campaign will mark the first time in more than five years the government has embarked on an international campaign of this nature.

Additional paid government ad activity centered on other business-oriented agencies. The Federal Crop Insurance program spent \$4.8 million through Burson-Marsteller, Chicago, but Crop Insurance officials note its ad budget will be trimmed in 1984 to \$1.6 million. Another paid advertiser, the Public Broadcasting Service, saw its 1983 ad allocation from the Corporation for Public Broadcasting cut in half to \$600,000.

The Overseas Private Investment Corp., which provides insurance and financing for U.S. companies investing abroad, launched an \$800,000 campaign in 1982, but reduced its total to \$450,000 in 1983. Print ads geared toward small business are placed in general business magazines and trade journals and are backed up by an OPIC direct mail effort.

Another agency established to boost U.S. investments abroad also is weighing a possible ad campaign. The U.S. Export-Import Bank sealed a deal with Needham Porter Novelli, Washington, in April to initiate a new marketing program. Eximbank officials say it is too early to determine whether the

marketing plan will have a sizable advertising component.

Aside from the government's massive paid advertising roster, Uncle Sam continued support for an array of public service ad campaigns.

Spending for product costs for public service campaigns through The Advertising Council—a private sector coalition of ad agencies that donates creative services to government public service advertisers—tripled in 1983, to \$3.8 million.

Although the Ad Council lost its single largest client in April when the Treasury Department's U.S. Savings Bond division said it would contract its own agency to handle the \$1 million account, support for the council's 11 government clients scored substantial increases last year.

New Ad Council campaigns included a \$550,000 anti-drunk driving effort for the Department of Transportation (Leber Katz) and a \$219,000 drug awareness campaign for the Department of Health & Human Services (Needham, Harper & Steers). The new Ad Council entries are in addition to other landmark accounts such as the Forest Service's Smokey Bear campaign (Foote, Cone & Belding) efforts for the Peace Corps and ACTION, (Ted Bates), the Treasury Department's direct deposit campaign for Social Security recipients (McCann-Erickson) and Employer Support of Guard and Reserves (D'Arcy MacManus Masius).

Other large public service campaigns, not sponsored by the Ad Council, included a \$200,000 campaign for the Department of Transportation, urging drivers to wear seat belts; a \$528,000 antismoking campaign produced for the Office of Smoking & Health, and a \$535,000 effort by the National Cancer Institute warning viewers about heart and lung disease.

The Selective Service, using a rock video ad theme, launched a \$130,000 radio and tv effort urging 18-year-olds to register for the draft, and the Internal Revenue Service reminded taxpayers to file their annual returns with a \$284,000 package of 40 radio and 14 tv psas cut in both English and Spanish.

The Forest Service again sponsored its "Woodie Owl" conservation campaign with a 1983 production budget of \$87,500. The new Woodie spots, which in the past have been geared exclusively to children, now target adult audiences as well. The new breed of conservation spots are equipped with new adult-oriented copy and will be placed in prime time tv slots.

The Federal Trade Commission maintained its series of consumer awareness campaigns with three new public service ads during 1983. Spots informing consumers about new regulations for morticians, care labeling instructions on clothing and a series of travel tips were produced at a cost of \$176,000.

Two new smaller psa campaigns also broke last year—a \$38,000 effort by the Government Printing Office highlighting the Federal Depository System and a \$54,000 campaign for the U.S. Consumer Information Center.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$5,306,200	\$6,753,600
Magazines.....	25,498,800	31,868,000
Spot tv.....	16,257,900	18,246,900
Network tv.....	30,063,000	27,139,600
Cable tv.....	495,100	316,000
Spot radio.....	5,679,200	7,342,500
Network radio.....	9,293,200	9,213,000
Outdoor.....	1,474,300	871,900
Total measured.....	94,067,700	101,751,500
Unmeasured.....	134,789,500	103,701,600
Estimated total.....	228,857,200	205,453,100

DEPARTMENT OF DEFENSE

Marketing Personnel

Lawrence J. Korb, asst secretary-man power, installations and logistics
James H. Webb, asst secretary-reserve affairs
G. Thomas Sicilia, director-accession (recruiting) policy

U.S. Army/Army Reserve

Devert Spurlock, asst secretary for man power and reserve affairs
Lt. Gen. Robert M. Elton, deputy chief
Maj. Gen. Jack O. Bradshaw, commanding general, U.S. Army recruiting command
Col. Donald Borden, director—advertising and sales promo, U.S. Army recruiting command

U.S. Army

ROTC

Maj. Gen. John P. Prillaman, deputy chief of staff-ROTC, U.S. Army Training and Doctrine Command
Col. Michael C. Schmidtman, chief-adv and media division

U.S. Navy

Capt. L.A. Halye, director-recruiting adv
Cdr. Allen Sherwood, director-adv operations division

U.S. Marine Corps

Col. C.E. McDaniel, director-personnel procurement div
Maj. David J. Turner, head-mktg branch

U.S. Air Force

Brig. Gen. Robert L. Rutherford, commander, U.S. Air Force Recruiting Service
Col. Melvyn Cummings, director-Air Force recruiting adv and publicity

National Guard

Lt. Col. Norman Goldstein, Chief-Bureau Advertising Support Center
Lt. Col. Durward M. Rushforth, Chief-Army Recruiting and Retention Management Center

Lt. Col. Larry W. Martin, Chief-Air Recruiting and Retention Branch
Transportation Dept (Coast Guard)

Capt. G.F. Van Nebel, chief-recruiting div
Lt. Cmdr. Charles Winfrey, chief-recruiting adv branch

Joint Recruiting

Lynn Lucchetti, director
Maj. Yolande Laporte, USAF, chief-joint adv operations
Maj. John Schlegel, financial mgmt officer
Capt. George Last, USMC, program adv mgr

Advertising Agencies

N W Ayer, New York—Army, Army Reserve, Army ROTC—George Eversman, exec acct director; Lamarr LeMonte, mgmt super; Wm. P. Kelly, acct super—ROTC; James Stone, acct super—active Army; Ephraim Goldstein, acct super—strategic planning and rsch; Richard May, mgmt super; David Harris, acct super—Army Reserve; Phoebe Moore, acct super—direct mktg and pr; Richard Tobin, acct super—Army field force; Joseph Petito, acct super—budget and admin.

Ted Bates Advertising, New York—Navy—Jack Costello, mgmt rep; Dennis Zolnierzak, acct director.

D'Arcy MacManus Masius, New York—Air Force—Steven Seiter, mgmt rep; Doug Laughlin, acct super; Jim Bridges, business mgr; Shari Bleier, acct exec.

Grey Advertising—joint recruiting program—John G. Marder, mgmt rep; Harvey Robinson, mgmt super; Gary Niebauer, mgmt super; Len Susman, acct super; James Lewis, acct super; Sherman Landwehr, senior acct exec.

Lockhart & Pettus, New York—minority recruiting—Ron D. Harris, senior vp.

Needham, Harper & Steers/Washington—Army and Air National Guards—Chris Shead, mgmt super; Phil Trigg, acct super; Ron Owens acct exec—Army National Guard; Fred Jaffke, acct exec; Air National Guard.

Sosa & Associates, San Antonio—Army Hispanic Recruiting—Lionel Sosa, president.

J. Walter Thompson USA, Washington—Marines—Jeff White, mgmt super; Hal Chase, acct super.

U.S. POSTAL SERVICE

Marketing Personnel

William Morrison, asst postmaster general—customer services
John Wargo, director-commercial mktg
Gary Stevens, mgr-adv services branch

Advertising Agency

Young & Rubicam, New York, Bud Hall, mgmt rep; Richard Keblon, Bill McGorry, Terry Pranses, acct super; Bryce Ott, Jack Lipton, Josh Moritz, acct execs.

AMTRAK

Marketing Personnel

William S. Norman, vp-mktg and corp planning
Robert E. Gall, vp-transportation mktg
William Castleberry, director-adv

Advertising Agency

Needham, Harper & Steers, New York—Warren Ruden, mgmt rep; Cheryl Wright, acct super.

TREASURY DEPARTMENT

BUREAU OF THE MINT

Marketing Personnel

Olympic medal sales—Dean Mitchell, exec dir-Olympic Coin Program
U.S. Gold—Francis Frere, asst director-mktg

Advertising Agency

D'Arcy MacManus Masius, New York—Charles McConnell, project director; John Roth, acct super; Jim Bridges, business mgr.

Volkswagen of America

	1983	1982
Sales.....	\$16,027,530,636	\$14,966,116,798
Earnings.....	(23,493,847)	15,323,134
U.S. Advertising.....	112,500,000	**103,000,000

*Worldwide, Volkswagenwerk AG **Rounded

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$1,802,500	\$1,167,700
Magazines.....	714,900	754,100
Farm publications.....	1,722,800	1,614,900
Spot tv.....	4,419,500	4,017,000
Network tv.....	39,994,400	40,914,300
Spot radio.....	2,847,400	3,838,900
Network radio.....	300,000	104,400
Outdoor.....	—	14,100
Total measured.....	\$1,801,500	\$2,425,400
Unmeasured.....	36,198,500	31,274,400
Estimated total.....	88,000,000	83,699,800

Marketing Personnel

Corporate

J.W. Goetz, director-corp communications
E.J. O'Keefe, director-headquarters operations

Divisions

W.J. McDermott, director-adv and sales promo, home auto prods
G.D. Klein, mktg mgr-adv, battery prods div
D.A. Koss, super-mktg communications, electronics div, components dept
J.S. Wiemeyer, mgr-communications, silicones urethane intermediates div
J.D. Secor Jr., director-communications, Linde div
P.J. Lavelle, mgr-communications, specialty polymers composites
W.E. Mainella, mgr-communications, specialty chemicals div; solvents and coatings materials div and UCAR emulsion systems
J.A. Moore, mgr-communications, ethylene oxide/glycol div
L.A. Agnello, director-communications, polyolefins div and unipol systems
E. Jusko, mgr-communications, engineering and technology services div
R.A. Mariani, mgr-communications process systems and services, catalysts and process systems div
James F. Haskins, mgr-communications agricultural prods
John Crane, mgr-communications, metals div
H. Garcia, mktg communication mgr, molecular sieves, catalysts & process systems div
R.W. Badger, mktg communications mgr, cyrogenics equipment, engineering prods div
C.R. McKinsey, mgr-mktg services, coatings services, engineering prods div
P.A. Liptrot, mgr-mkt services, electrode systems div

Advertising Agencies

Young & Rubicam, New York—Linde div telephone directory adv.
Bozell & Jacobs, New York—corp issues
—Dave Venghaus, mgmt super.
STG Marketing Communications, Fair-

Volkswagen of America, Troy, Mich., a subsidiary of Volkswagenwerk AG, Wolfsburg, West Germany, increased its U.S. advertising spending in 1983 by 9.2%, to an estimated \$112.5 million, making it the 63rd largest national advertiser.

In 1983, the Volkswagen Group delivered 2,110,672 vehicles worldwide, showing a 0.3% decline. VW unit sales of 230,928 in the U.S. in 1983, a 14.3% increase over the previous year, represented 2.5% of the over-all U.S. market.

Although VW AG reported a worldwide loss for 1983, the company's U.S. division (VOA) came back from a \$140 million loss in 1982 to report \$41.5 million in earnings for 1983. Company execs attribute the dramatic turnaround to "internal efficiencies [staff reduction] and public acceptance of both Audis and the new Jetta," as well as the effectiveness of positioning and advertising.

(VW figures for both 1983 and 1982 were translated from the West German DM to U.S. dollars at the rate of 2.5 DM equals \$1.)

Throughout 1984 and 1985 VW advertising will follow trends begun in 1983, emphasizing German engineering. "Volkswagens are designed with a Germanic passion for driving performance and technical excellence," VOA ad manager Michael Kaptuch said.

"This year's campaign is more a fine tuning of last year's than a complete rethinking," said Mr. Kaptuch. The headline "It's not a car, it's a Volkswagen" will continue to be used. Copy will capitalize on VW's image of durability that began with the Beetle.

In mid-November, VOA will introduce the new Golf and Jetta lines in the U.S. with what Mr. Kaptuch called "the largest introduction ever by VOA with the most media behind it." It is expected to spend upward of \$20 million on the campaign.

The campaign will consist of "very extensive magazine advertising" including gatefolds in newsweeklies and large magazine spreads, according to Michael Howe, manager-VW advertising. VOA also has purchased a major sponsorship of the CBS miniseries "Ellis Island" in November, co-starring the late Richard Burton among others. Mr. Howe said VW will be the major automotive sponsor.

VOA plans to continue the launch campaign in January, in addition to advertising for carryover products and revamped lines.

The Rabbit GTI sports car has been renamed the Volkswagen GTI to distinguish its market from the traditional Rabbit market. "When we analyzed the buyers we found that those buyers interested in the Rabbit GTI were not considering the Rabbit at all," Mr. Howe said. VOA is planning heavy ad spending on its new GTI in addition to spending on the promotion of the new Jetta GLI, a sportier version of Jetta that will be introduced next April.

Also in 1985, the Rabbit convertible will be renamed the Cabriolet. The car will continue in its present styling and will receive heavy ad support. "We're trying to make that into a cult vehicle," Mr. Howe said.

To capitalize on dramatic sales increases of some other European station wagons, VOA also is planning more promotion for its Quantum. The station wagon will have revised equipment and styling.

VOA's 2.5% share of the U.S. auto market in 1983 dropped from 2.86% in 1982. But through the first seven months of 1984, VOA's market share is back up (2.68%) and VW execs explain the 1983 drop as a delayed effect of the recession and not a reflection of actual sales.

According to Mr. Kaptuch, VOA had a large supply of small and diesel cars when the worst of the recession hit. When the market began to recover, VOA started to sell more cars, but the market turned around so fast as a whole that even though vehicle sales were rising, VOA's market share dropped.

Heaviest ad dollars—nearly \$20 million and about the same spent in

1982—were spent on the Rabbit. The ads effectively pushed the sporty Rabbit GTI in 1983, showing sales nearly equal to 1982, which VOA execs consider especially good because this is the phaseout year before the car becomes the Volkswagen GTI. As of Aug. 10, unit sales for the Rabbit were up 2.8% over the similar period a year earlier.

But the sport car's Rabbit styling is now out of production for good, being replaced by the new Golf models with a new designation as a compact car. (The Rabbit is a subcompact.)

VW marketers say the hatchback Golf is doing well, but the "notchback [Jetta] is where the market seems to be heading," Mr. Kaptuch said. "We see that as being the volume market." The auto maker spent nearly \$9 million in

measured spending promoting the Jetta in 1983, virtually the same as in 1982. In VOA parlance, notchback means a car with a trunk instead of a hatchback. The Jetta also has 12% more interior space.

Unit sales of the Jetta are up 112% from 1983, and VW is having trouble meeting the demand for the car, part of the problem, other than demand, being the July, 1984, metal workers strike in West Germany that shut down plants for six weeks, company execs said. Audis also are scarce.

The Porsche-Audi division of VOA lost Porsche as of Aug. 31, ending the 15-year partnership that in 1983 sold 70,000 units, of which 47,934 were Audis and 22,066 were Porsches. Until now, VOA was the sole importer of

Porsches into the U.S. and VOA execs hope Audi—with unit sales up 60.8% for the first seven months of 1984—will make up the difference. Audi executives are hoping to sell 80,000 units in 1984.

The "Audi: The Art of engineering" campaign is aimed at a highly educated upscale market. "It very clearly has a leadership oriented copy line," said James Lawler, manager-Porsche/Audi advertising. "We have the innovations to back it up."

According to Leading National Advertisers, VOA spent more than \$15 million advertising Audis, up 30% from 1982. LNA totals for some VW models include \$6 million for the Quantum, down 33%; \$5 million for the Scirocco, an increase of 19%; \$3

million for the Vanagon, an increase of 15%, and \$5.5 million for the Wolfsburg Limited Edition.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$9,947,400	\$16,825,300
Magazines.....	37,902,200	28,599,500
Spot tv.....	16,921,800	17,156,500
Network tv.....	22,177,600	23,828,200
Spot radio.....	2,984,600	2,184,400
Network radio.....	—	2,400
Outdoor.....	4,300	53,200
Total measured.....	\$9,937,900	\$6,967,100
Unmeasured.....	22,562,100	16,832,900
Estimated total.....	112,500,000	183,000,000

VOLKSWAGEN OF AMERICA

Peter Weiher, exec vp-sales and mktg
James R. Fuller, vp-Volkswagen div
Peter Fischer, vp-Porsche/Audi div
Richard Marcy, mgr-Volkswagen mktg

How they got more mileage out of their ad budget.

Virtually every auto manufacturer pulls into the Herald.

Sure, they may buy the other major Los Angeles newspaper first. But then they turbocharge their metropolitan penetration with the Herald as a 2nd buy.

(Much smarter than chugging along through L.A. County, picking up one suburban paper at a time.)

Almost 200 individual dealers also use the Herald, along with a who's-who of other blue chip advertisers. From fast cars to fast food. That's why our ad sales are more than double the two leading suburban dailies—combined.

In Los Angeles, there's just one first choice for a 2nd buy.

And that's the point we want to drive home.

LOS ANGELES HERALD

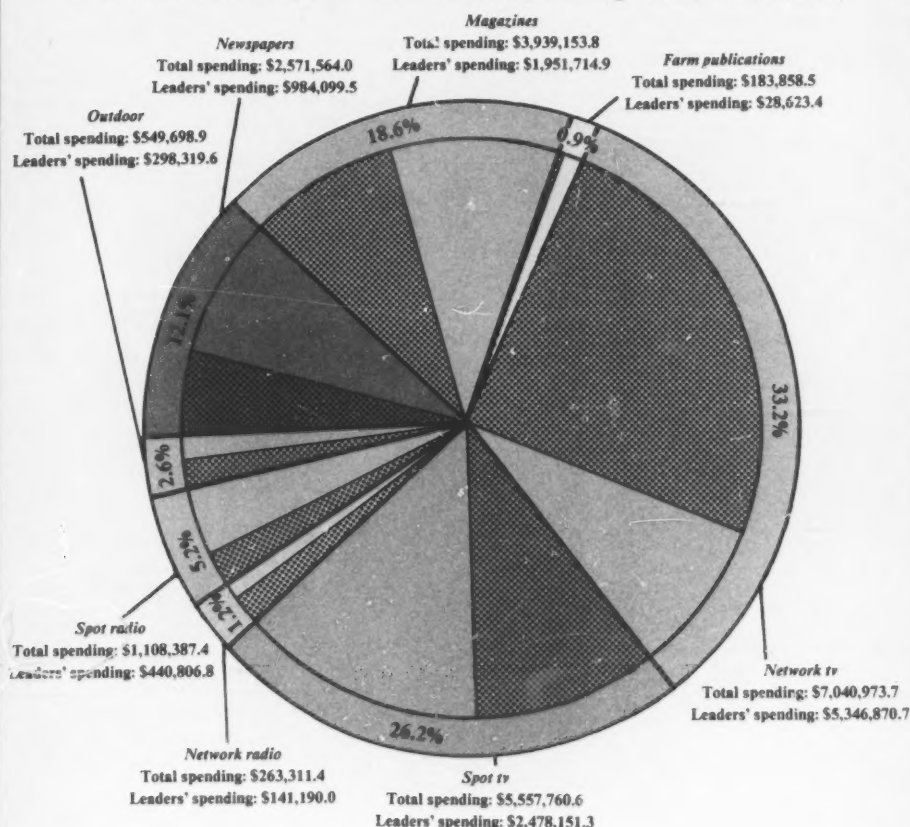
L.A.'s 1st Rate 2nd Buy

100 Leading National Advertisers' share of measured advertising expenditures (\$000)*

1983

Total measured ad spending: \$21,184,083.0

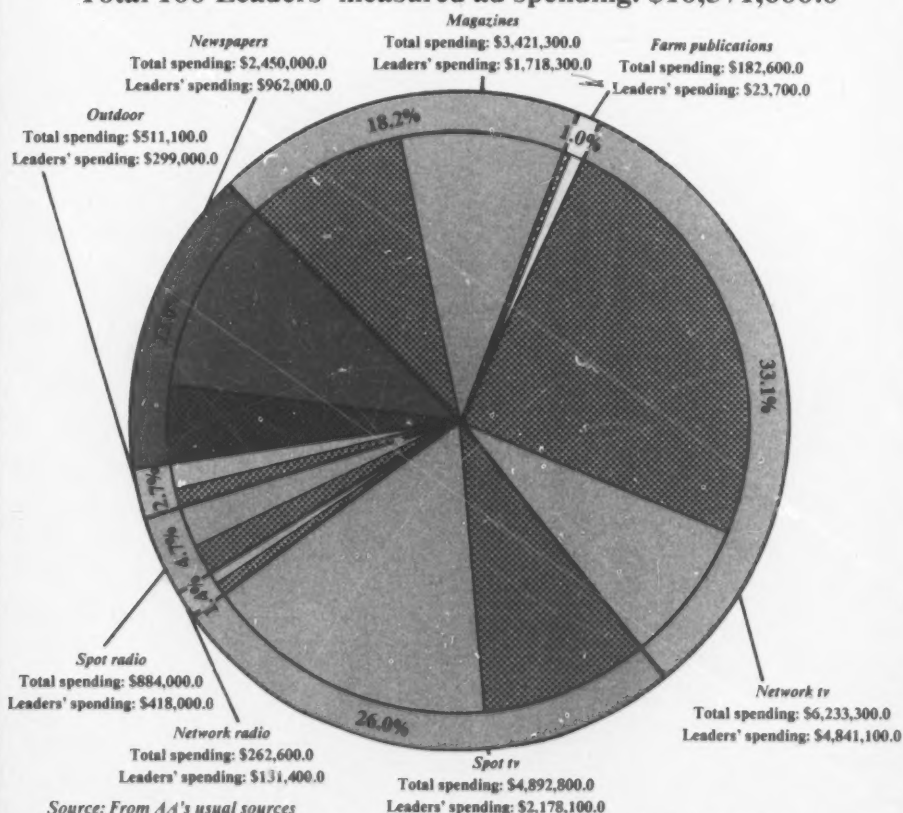
Total 100 Leaders' measured ad spending: \$11,673,426.9†



1982**

Total measured ad spending: \$18,837,600.0

Total 100 Leaders' measured ad spending: \$10,571,600.0



Source: From AA's usual sources

* Shaded area signifies 100 Leading National Advertisers' combined ad spending for each medium

** 1982 figures are based on the 100 Leading National Advertisers

† includes U.S. government cable spending of \$495,100 and Tandy Corp. business publication spending at \$3,155,600

Michael Howe, mgr-Volkswagen adv
Michael Kaptuch, Volkswagen adv mgr
Bruce Butzier, Volkswagen creative adv mgr
Fred Wallace, mgr-Porsche/Audi mktg
James Lawler, mgr-Porsche/Audi adv
George Pizzo, Porsche/Audi creative adv mgr

Advertising Agency

Doyle Dane Bernbach, Troy, Mich.
—Robert Rees, president; Al Steiner, senior vp-mgmt super, VW; Willie Hopkins, senior vp-mgmt super, P/A; Sal Triano, vp-acct super, VW; Lawrence Wallace, vp-acct super, P/A; Ron Roggier, vp-acct super, VW; Jack Cooney, vp-acct super, P/A; Peter Toundas, senior acct exec, VW; Ron Zarowitz, acct super, VW.

Warner Communications

	1983	1982
Sales*	\$3,425,272,000	\$4,990,651,000
Earnings*	(417,863,000)	257,811,000
U.S. Advertising	251,849,600	232,228,100

*Worldwide

Warner Communications, New York, the 25th largest national advertiser, spent an estimated \$251.0 million on advertising, an increase of 8% over 1982.

However, advertising from this entertainment and media conglomerate no doubt will decline significantly next year, as the company recently sold two of its major divisions, Atari and Warner Cosmetics. Together these two subsidiaries comprised more than half of the company's total advertising expenditures. The company sunk about \$66.3 million into advertising Atari products alone, far more than it has spent on any other subsidiary.

After an 18-month rebuilding effort, in early July, Warner gave up on Atari and sold it to a new company headed by Jack Tramiel, former chief executive of rival Commodore International Ltd. As a result of the sale and write-downs, Warner reported a second-quarter loss in fiscal 1984 of \$437.6 million on sales of \$475.5 million, the latter an increase of 28%.

In 1983, Warner lost \$417 million on operating revenues of \$3.4 billion. Losses chiefly were attributed to Atari and Warner Amex Cable Communications, a joint venture between Warner Communications and American Express.

Warner Amex operates cable systems and two cable programming services: MTV:Music Television and Nickelodeon. Warner Communications also has equity in Showtime/The Movie Channel, two pay tv channels run by a consortium with Viacom and American Express.

Under terms of the Atari deal with Mr. Tramiel, Warner will receive no cash for the company, but \$240 million in long-term notes and warrants for a 32% interest in Mr. Tramiel's new venture.

In return, Mr. Tramiel will receive warrants giving him the right to purchase 1 million shares of Warner common stock at \$22 a share. Warner is retaining two parts of Atari, which make up about 20% of the company: The coin-operated games division and AtariTel, the division addressing on telecommunications.

Last year, Atari had an operating loss of \$539 million on reported revenues of \$1.1 billion. Many of Atari's problems were caused by increased competition in the videogame market as well as a decline in the market's over-all growth.

In addition, late last year the company raised the prices of its complete line of home computer and videogame hardware. This move was aimed unsuccessfully at reversing the downward spiral that affected the industry during the year.

In other areas of the company, Warner announced in January, 1984, the sale of Warner Cosmetics to Cosmair for \$146 million. Warner expects a pretax profit of \$100 million from the sale to appear in its 1984 returns.

During 1983, Warner Cosmetics had spent about \$25.5 million advertising such products as its Vanderbilt perfume (\$7.2 million) and Chaps cologne for men (\$4.1 million). Spending was divided primarily between magazines

and tv.

There also have been plenty of changes at Warner Amex. The company decided to take its MTV and Nickelodeon cable services public. Under the new name, MTV Networks Inc., the company is looking to sell 5.13 million shares at \$16 to \$18 each. The offering is designed to raise at least \$75 million. Warner Communications and American Express will retain 66.1% of MTV Networks Inc.

According to the prospectus, MTV and Nickelodeon have lost \$79 million since January, 1980, but both services became profitable for the first time this year.

For the first quarter of 1984, MTV showed an operating profit of \$3.4 million. Nickelodeon had an operating profit of \$498,000.

In September, 1983, Warner Amex's other cable service, The Movie Channel, merged with Viacom's Showtime in an effort to seek economies of scale. However, the two channels continue to operate as two separate 24-hour movie services.

The cable systems side of Warner Amex continues to be plagued with problems. In 1983, mounting losses reached \$99 million in pretax deficit. Attempts to improve productivity were implemented throughout the year, including laying off more than 200 employees.

Warner also is trying to renegotiate its lofty franchise promises made in such cities as Milwaukee and Dallas.

In addition, the company folded its regional sports service in Pittsburgh and has agreed to sell its system there to Denver-based Tele-Communications Inc.

On the positive side, 1983 was a good year for Warner's film subsidiary, which spent about \$35 million advertising 21 films. Among its biggest hits were: "Sudden Impact" (\$3.2 million in measured national advertising), "Never Say Never Again," (\$4.2 million) "Risky Business" (\$2.6 million) and "Superman III" (\$3.6 million).

ADVERTISING EXPENDITURES

	1983	1982
Newspapers	\$15,717,900	\$18,875,600
Magazines	25,608,700	24,929,600
Spot tv	27,444,700	27,154,800
Network television	84,243,600	75,533,000
Spot radio	2,248,700	820,300
Network radio	485,800	1,178,000
Outdoor	300,200	99,500
Total measured	156,049,600	148,550,800
Unmeasured	95,000,000	83,677,300
Estimated total	251,049,600	232,228,100

WARNER BROS.

Marketing Personnel

Sandy Reisenbach, exec vp-worldwide adv and publicity
Rick Kallet, director-co-op adv
Joe Hyams, vp-publicity
Mardi Marand, vp-director of media

Advertising Agency

Grey Advertising, New York—Don Foley, mgmt super; Len Foggie, acct super; Frank Pellegrino, acct exec.

WARNER BROS. TELEVISION

Marketing Personnel

Marsha Greenberg, director-adv and publicity
Doug Dautman, vp-senior adv, publicity and promo exec
Ken Fournier, vp-adv, publicity and promo
Eric Frankel, director-pay tv mktg
Stanley Solson, vp-pay tv mktg
Jeffrey Calman, vp-sales devel

Advertising Agency

Pearlman, Rowe, Kolomatsky, New York—Gerald E. Rowe, chairman.

WARNER BROS. RECORDS

Marketing Personnel

Lou Dennis, vp-sales
Russ Thyret, senior vp-mktg
Tom Draper, vp-black music
Sophie Beauvy, ad director
Adam Somers, vp-creative services and operations
Pete Johnson, vp-creative director of adv
Howard Rosen, vp-promo
Vic Faraci, vp-country music mktg
Jeff Ayeroff, vp-creative mktg

Advertising Agency

Burbank Agency (inhouse)—Sophie Beauvy, director-adv.

ELEKTRA/AS/LUM

RECORDE

Marketing Personnel

Lou Maglia, exec vp-mktg
Randy Edwards, vp-creative services
Mike Bone, vp-promo
Greg Peck, vp-special markets
Dave Urso, vp-pop promo
Eddie Gilreath, vp-sales
Bryn Bridenthal, vp-publicity and artist devel
Bill Berger, vp-intl

Dave Cline, West Coast genl mgr, regional mktg mgr

ATLANTIC RECORDS Marketing Personnel

David Glew, exec vp-genl mgr
Mark Schulman, vp-adv
Sal Uterano, vp-sales
Larry Yaeger, vp-singles sales
Hank Caldwell, vp-black music mktg
James Gallo, director-merch

Advertising Agency

East/West Advertising (inhouse)—Marsha Green, media director.

WARNER AMEX CABLE Marketing Personnel

John C. Charlton, senior vp-programing, mktg and sales

William Phillips, vp-sales and mktg admin

MTV NETWORKS INC. Marketing Personnel

David H. Horowitz, president-ceo
Robert W. Pittman, exec vp-coo
Domenick Fioravanti, senior vp-genl mgr, MTV: Music Television, Nickelodeon
Robert Roganti, senior vp-genl mgr, adv sales

Advertising Agencies

LPG Pon, subsidiary of Lois Pitts Gershon, New York—MTV—Dale Pon, president-LPG Pon; Dick Gershon, president-LPG; Leslia Fenn, acct exec.

Scali, McCabe, Sloves, New York—the Movie Channel, Nickelodeon—Patrick Hillman, vp-mgmt super; Donald Jackson, acct super; Ann Allerhand, acct exec; Susan Gordon, Stella Barisic, acct acct execs.

WARNER BOOKS Marketing Personnel

Howard Kaminsky, president
Dorothy Crouch, vp-genl mgr
Bill Shinker, vp-mktg

Advertising Agency

Publishers Advertising Associates (inhouse)—Mark Greenberg, president.

WEA CORP. Marketing Personnel

Robert Moering, natl director-mktg services
George Rossi, exec vp-sales, promo
Russ Bach, exec vp-mktg devel
Skid Weiss, natl director-communications
Barbara Burns, natl adv director
Alan Perper, natl director-product mgmt
Earl Sayles, director-black music mktg
Jody Raihel, natl special projects coordinator
Fran Albright, director-natl sales
Dave Mount, natl video sales mgr

Advertising Agency

WEA Advertising (inhouse)—Barbara Burns, natl adv director.

WARNER SPECIAL PRODUCTS Marketing Personnel

Michael Kapp, president
Tony Pipitone, exec vp-treasurer

LICENSING CORP. OF AMERICA Marketing Personnel

Robert F. Bell, exec vp
Leonard F. Reitter, director-mktg

Advertising Agency

Ferber, Janklow, Chimbrel & Bender, New York—Bruce Janklow, president.

PANAVISION Marketing Personnel

Jac Holzman, chairman
Frank Vogelsang, senior vp

WARNER HOME VIDEO Marketing Personnel

Warren Leiberfarb, exec vp-genl mgr, worldwide
Gary Marenzi, director-natl sales
Barbara O'Sullivan, vp-adv and promo

FRANKLIN MINT Marketing Personnel

Martin Breisblatt, vp-mktg, U.S.

Advertising Agency

Franklin Advertising (inhouse)—Martin Breisblatt, vp.

DC COMICS Marketing Personnel

Jenette Kahn, president-publisher
Paul Levitz, vp-operations
Bruce Bristow, mktg director

Advertising Agency

Sanford Schwarz & Co., New York—Bernie Slotnik, adv rep.

MAD MAGAZINE Marketing Personnel

William Ganes, president

WARNER PUBLISHER SERVICES Marketing Personnel

Sol Himmelman, vice-chairman
Lee Rodgers, president
Pat Flaherty, vp-mktg
Mark Greenberg, vp-adv/pr

Advertising Agency

Publishers Advertising Associates (inhouse)—Mark Greenberg, president.

WARNER THEATRE PRODUCTIONS Marketing Personnel

Claire Nichtern, president

PITTSBURGH PIRATES Marketing Personnel

Jack Schrom, vp-pr and mktg
LEISURE DEVELOPMENT
CORP. OF AMERICA
Marketing Personnel

Advertising Agency

Berenter, Elgort and Greenhouse, New York—Bill Berenter, acct exec.

Warner-Lambert Co.

	1983	1982
Sales*	\$3,186,325,000	\$3,245,967,000
Earnings*	396,496,000	174,976,000
U.S. Advertising	343,553,500	294,742,000

*Worldwide

Warner Lambert, Morris Plains, N.J., the 13th largest national advertiser, increased its domestic advertising nearly 16.6% to an estimated \$343.6 million in 1983.

The company's worldwide sales fell for the second year in a row, dropping 4%, to \$3.1 billion. However, net income rose 15%, to more than \$200.5 million. The drop in sales primarily reflected the effect of foreign exchange rates and the sale of Entenmann's Inc., a baked goods company, to General Foods in 1982.

Improved sales worldwide were registered in ethical products, including prescription pharmaceutical and health technologies, as well as consumer healthcare products.

Warner-Lambert results in the second quarter of fiscal 1984 show continued improvement in sales and earnings. Worldwide net income increased 12%, to \$62 million, on sales of \$797 million, up 2% from the corresponding quarter a year earlier (5% excluding the effects of foreign exchange rates). All segments of the company's domestic business registered higher sales, a reflection of the improved U.S. economy.

The Consumer Products Group went through a structural change in 1983 in an effort to further distinguish between the marketing and distribution functions within the group. W-L established two separate operating groups—Consumer Health Products and American Chicle.

Jay M. Gwynne, president, W-L's Japan region, was named to head the Consumer Health Products Group. John C. Carroll, vp-marketing, American Chicle, was named president of the group. Edward Marlowe, vp, was promoted to president of the Consumer Products Research and Development Division.

The Consumer Products Division attracts the heavy ad spending at Warner-Lambert, which had a company-wide total measured spending of \$132.3 million monitored by Leading National Advertisers for six media.

Within its Consumer Health Products division, W-L introduced a variety of products in 1983. It initiated test marketing of Mediquell, an alternative to cough syrup. Mediquell is a chewable tablet that delivers eight hours of cough relief in a two-tablet dose.

Last year, the company also began test marketing Remegel, an antacid tablet with the high efficacy of liquids. W-L is positioning Remegel to compete against liquids on the basis of greater convenience, palatability and uniformity of dose.

The company, sustaining its leadership position among early pregnancy tests for home use in 1983, introduced its advanced home pregnancy test, e.p.t.-Plus in the first quarter of 1984. Through a color-change system, e.p.t.-Plus simplifies test administration and interpretation. W-L spent \$1.9 million in measured advertising on e.p.t.

Last March, the company also introduced Listermint with fluoride, a dental rinse/mouthwash that combines a mouthwash with the anticavity protection of fluoride. The introduction followed in the footsteps of Johnson & Johnson's new ACT fluoride mouth rinse. Before being introduced in the U.S., Listermint with fluoride was marketed in Canada and Venezuela.

Accounting for more than 25% of the company's sales are its chewing gums, breath mints, razors and blades and pet products. W-L currently holds the No. 2 spot worldwide for sales of chewing gum.

In 1983, Trident regained its leading position among sugarless gums. Sugarless gums now account for about 25% of all gum consumed in the U.S. Sales of Trident in the U.S. increased by nearly 30% in 1983, the company reported. In the fourth quarter of 1983,

W-L completed its U.S. rollout of a square-shaped sugarless bubblegum under the Trident name.

To augment its limited position in sugared stick gums, W-L test marketed two new gum products. FreshMint, a stick gum with natural mint, and Sticklets, a smaller-size stick gum, which is packaged with nine sticks to a pack, will compete directly with market segment leader Wm. Wrigley Jr. Co.

Ads for FreshMint say the gum combines the taste of eight mint leaves. The company is using tv, free-standing inserts, and a buy-one-get-one free offer. While in test markets, the company reportedly is spending at a national ad rate of \$12 million. The two-item Sticklets line, in peppermint and spearmint flavors, was introduced into test in Portland, Ore., and Seattle, Wash.

Certs, the leading breath mint, had increased sales in 1983, due in part to the introduction of Sugarless Certs. In the breath mint category, W-L also introduced Ultamints, a triple-layered, high flavor mint. Ultamints is being aimed at those consumers who desire a stronger-tasting mint.

In the razor and blade category, W-L introduced the Schick Disposable, a new disposable razor featuring a sliding safety cap. Its introduction was supported by an estimated \$12 million in advertising. By the end of 1983, Schick Disposable reportedly held about 2% of the disposable market. Gillette, by far the leader in the category, holds 60% of the market in dollar volume and 50% of unit sales in the \$650 million retail blade/razor market. Disposable razors account for less than 40% of that market.

The company's most heavily advertised product in 1983, according to LNA, was Listerine antiseptic, which received nearly \$14 million in measured spending, up \$2 million over 1982. One factor in the increase was a new study by W-L indicating that rinsing twice daily with Listerine antiseptic reduced development of dental plaque up to 50%.

Other heavily advertised products included Trident sugarless gum, with \$11.7 million in measured media support; Certs regular and sugarfree mints, \$9.5 million; Efferdent denture cleaner, \$7 million; Sinutab Sinus Remedy, \$6.6 million; Bubblicious bubble gum, \$5.37 million; Benylin cough syrup, \$6 million; Clorets gums and mints, \$5 million, and Halls Mentholyptus cough drops, \$7 million.

Advertising for e.p.t. was cut by more than one-third, to less than \$2 million. Spending on the Personal Touch ladies razor dropped from \$3.4 million to \$1.5 million. The Schick Super II cartridge shaver system, with \$4.3 million in 1982 was all but dropped in 1983, getting a meager \$12,800 in measured spending.

Last August, W-L announced the discovery of an antitumor antibiotic that was found effective against leukemia in small laboratory animals. Coded CI-920, the experimental compound was developed by W-L's Parke-Davis Pharmaceutical Research division in Ann Arbor, Mich. The company said experimental work with CI-920 is continuing and a Phase I clinical study is expected.

In response to the increasing awareness of the general public to the problem of tampering with medicines, W-L introduced the first two advances in capsule technology. Its new Coni-Snap Supro, a two-piece hard capsule, cannot be opened without it sustaining noticeable damage. TP Sealing, a new process, discourages tampering by fusing the two halves of a capsule together.

The company's health technologies business experienced good growth in 1983 as a result of a strong sales performance by IMED, a leader in intravenous infusion systems. IMED was acquired by W-L in 1982. IMED sales in 1983 rose an estimated 35%, to \$124 million.

Adding to its health technologies business, W-L acquired McBain Instruments Inc.'s high precision microscopy business. Following the acquisi-

tion, McBain, based in Chatsworth, Cal., became a unit of the AO-Reichert operation. AO-Reichert markets the company's microscopes and optical instruments for use in industrial, research, medical and teaching laboratories.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers	\$1,505,600	\$1,298,700
Magazines	7,364,100	7,936,400
Spot tv	39,438,700	32,987,200
Network tv	74,638,900	81,015,400
Spot radio	1,660,500	1,853,100
Network radio	7,822,800	6,558,400
Total measured	132,332,600	131,569,200
Unmeasured	211,220,900	163,172,800
Estimated total	343,553,500	294,742,000

WARNER LAMBERT CO. Corporate Personnel

Ward S. Hagan, chairman-ceo
Joseph D. Williams, president-coo
George Hromadko, vice chairman, chief financial officer

AMERICAN CHICLE GROUP Marketing Personnel

John C. Carroll, president
Frederick E. Finlayson, vp-sales
CONSUMER HEALTH PRODUCTS GROUP

Marketing Personnel

Jay M. Gwynne, president
John F. Walsh, vp-product mgmt
Theodore G. Schable, vp-sales

Advertising Agencies

Ted Bates Advertising, New York—Bubblicious, Halls cough tablets, Mediquell, Rolaid, Trident gum and mints, Efferdent, Effergrip, Listermint—Larry Epting, exec vp; Mike Townsend, senior vp-mgmt rep; Tom Hedrick, vp-acct super; Gail Cerminaro, Shelley Diamond, Carl Nichols, vp-acct super.

J. Walter Thompson USA, New York—Chevels, Clorets, Listerine antiseptic, e.p.t., Sinutab, Lubriderm, Schick shaving systems and Personal Touch—Jack Morrissey, senior vp-group acct director; Jerry Gottlieb, senior vp-mgmt super; Dolly Bodick, Anne Allen, acct super; Marty Susz, vp-acct super.

Young & Rubicam, New York—Certs, Dentyne—Bill Thompson, group super; Tom Spangenberg, mgmt super; Arlene Brickner, acct super.

PARKE-DAVIS GROUP Marketing Personnel

James E. Wavle Jr., president
Cal J. Cowles, vp-mktg
Donald A. Swanson, vp-sales
Wayne L. Dickerson, group prod director
Robert A. Anderson, group prod director
Russ Moran, group prod director, etc products

Advertising Agencies

Sudler & Hennessey (medical group), New York—Donald Masterson, exec vp-mgmt super; John Rinaldi, William Butler, James Carlson, senior vp-acct super; Wendy Mantel, acct exec; Pam Goldman, associate media director.

Sudler & Hennessey (consumer group), New York—Arthur Rosen, exec vp-group director; Hano Fuchs, senior vp-group creative director; Walter Bernd, vp-acct super; Mark Merriman, acct super; Lisa Blumenstein, acct exec; Ken Kopas, media director.

J. Walter Thompson USA, New York—Jack Morrissey, senior vp-mgmt director; Jerry Gottlieb, senior vp-mgmt super; Anne Allen, Dolly Bodick, Marty Susz, acct super; Peggy Yervanian, assoc media director.

HEALTH TECHNOLOGIES GROUP Marketing Personnel

Donald E. O'Neill, president
Kirk Merritt, vp-business plan and devel

DIAGNOSTICS DIVISION Marketing Personnel

S. Morgan Morton, president
Richard Walsh, vp-mktg, intl diagnostics and General Diagnostics
Edward Whitehill, genl mgr, Nuclear-Medical Laboratories

Joseph A. Centofante, Charles E. Coyle, senior product mgrs, General Diagnostics
C.K. Gibbs, group product mgr, Nuclear-Medical Laboratories

Advertising Agency

MED Communications, Woodbridge, N.J.—Robert Portman, president; Al Marchioni, vp; Robert Curtis, acct super.

DESERET MEDICAL INC. Marketing Personnel

John C. Sifers, president
Michael S. Fleming, vp-U.S. mktg

Advertising Agencies

Tom Ferguson Associates, Parsippany, N.J.—Tom Ferguson, president.
Baxter, Gurian and Mazzei, Beverly Hills, Cal.—J.J. Gurian, president.

IMED CORP. Marketing Personnel

Richard E. Schmidt, president
Mark McKenna, director-product mgmt
William Peukert, director-natl field sales

Advertising Agency

Maier, Kaump & Clark, Hollywood, Cal.—Norman Maier and Bruce Kaump, principals and acct execs.

REICHERT SCIENTIFIC INSTRUMENTS DIVISION

Marketing Personnel

Paul Creager, president
Charles R. Krause, vp-genl mgr, ophthalmic and scientific instruments
Louis J. Rodino, director-mktg/sales
Andrew J. Liberty, mgr-adv and promo
Ron Bridge, genl mgr, fiber optics
John Schempp, mgr-mktg, fiber optics
Robert Yates, genl mgr, Reichert-McBain Instruments

Advertising Agency

Faller, Klenk & Quinlan, Getzville, N.Y.—scientific and ophthalmic instruments and fiber optics—Lawlor Quinlan, vp.

Wendy's International

	1983	1982
Sales*	\$1,922,913,000	\$1,632,446,000
Earnings*	55,226,000	44,102,000
U.S. Advertising	64,445,000	44,875,000

*Worldwide

Wendy's International, Dublin, O., the nation's 90th largest advertiser, spent about \$64.4 million on advertising in 1983, a 44% increase over 1982.

Although sales growth could not match the increase in advertising spending, 1983 was a solid year for the 15-year-old company. Systemwide sales for the 922 company-owned and 1,751 franchised stores open at yearend were \$1.92 billion, an 18% increase over 1982. Average per-store sales in 1982 were \$759,000, up 8% from the previous year.

While 1984 will be remembered for the phenomenal success of Wendy's "Where's the beef?" advertising campaign, 1983 was notable for almost everything but beef. Wendy's, which for many years had kept its menu limited to burgers, fries and chili, last year continued its menu-diversification program begun in 1982 with the addition of taco salad.

Menu-diversifications for 1983 included its reformulated french fries, an added bacon cheeseburger and an expanded salad bar, which it dubbed the "Wendy's Garden Spot."

In addition, it continued to test menus for two new dayparts. A breakfast menu was expanded to additional markets throughout the year, while several dinner platters were tested in Cincinnati. These included country-fried beef, filet of fish, chicken parmesan and beef with mushroom gravy.

The most important new-product introduction of the year was the November rollout of a five-variety line of stuffed baked potatoes. The "Hot Stuffed" line was coupled with a \$10 million introductory advertising campaign that, for the first time, saw Wendy's advertising in consumer magazines.

The fast-food industry traditionally has had a male-intensive customer base, and, like the expanded salad bar, the baked potatoes were added as a draw for female customers. The product was greeted with competitors' skepticism but quickly proved to be such a success that several chains (such as Arby's and Ponderosa) began testing topped potatoes themselves. Wendy's now serves 600,000 baked potatoes a day.

The introductory advertising Wendy's used was almost as much of a marketing departure as the baked potatoes themselves. The jazzy musical score and new wave art direction were symptomatic of the more aggressive advertising posture Wendy's developed last year.

The baked potato campaign was only one of several different advertising efforts Wendy's used during the year.

In June, 1983, the chain unveiled its first comparative advertising, a series of humorous tv spots directed by Joe Sedelmaier depicting differences between Wendy's and its two major competitors, McDonald's and Burger King. The primary focus was on Wendy's use of fresh rather than frozen beef and its made-to-order products.

The \$20 million campaign was Wendy's answer to the widely publicized Burger King comparative campaign launched in September, 1982.

Wendy's followed the humorous Sedelmaier-directed spots with a more mainstream campaign stressing the chain's chicken sandwich, salad bar

and Frosty dessert. TV spots featured patrons lip-synching a song title: "Only Wendy's" sung to The Platters' 1950s hit "Only You."

In September, the chain returned to the Sedelmaier spots before breaking the baked potato ad. Wendy's was not diffusing its message by varying its advertising too drastically and too often.

Exec vp William Welter defended the variety as being in line with the chain's belief in "event marketing." With a smaller advertising budget than either McDonald's or Burger King, Wendy's purposely has varied the look of its commercials and tied its advertising to specific events (new products or points of product difference) to maximize impact.

If Wendy's wanted impact from its advertising, it got almost more than it could handle in January, 1984, when it broke a second set of two humorous vignette TV spots directed by Mr. Sedelmaier. These ads were intended to counter the perception that McDonald's Big Mac and Burger King's Whopper were larger than Wendy's Single. Both spots carried the theme line "Where's the beef?" but one became a national phenomenon.

Clara Peller, one of three elderly ladies featured in one of the new spots, became a national celebrity. After Democratic presidential candidate Walter Mondale used the line to imply a lack of substance in challenger Gary Hart's proposed programs, "Where's the beef?" became a national chant.

The six-week campaign may have done more for Wendy's visibility than 14 years of product advertising. Consumer awareness of the chain's advertising rose from 37% in December to 53% in March, according to company research.

Sales benefited as well: Average per-store sales rose 20%. According to the Consumer Reports on Eating Share Trends, Wendy's share of the fast-food market rose 20%, to 11.6% of the market during 1984's first quarter.

A second "beef" commercial with Ms. Peller broke in the spring, and a third was planned for the fall... in time to support the "Where's the beef" merchandise marketed as Christmas gifts.

The success of "Where's the beef?" may have solidified Wendy's relationship with its national agency, Dancer Fitzgerald Sample, New York, but Wendy's encountered problems in the past year with its local agencies. Several of its regional agencies—Burton-Campbell, Atlanta; Eisaman, Johns & Law, Los Angeles, and Clinton E. Frank Inc., Chicago—resigned their Wendy's assignments.

They were replaced by Stockton-West-Burkhart, Cincinnati, which was Wendy's first agency. It now handles the majority of company-store markets for the chain, and may pick up additional assignments should other regional agencies resign.

Wendy's long-range goal is to raise its per-store average sales to \$1 million from the current \$759,000. To achieve that goal, the chain plans to add more new products to broaden its customer base.

Also planned is an expansion of its national advertising presence. Toward that end, Wendy's operators last fall agreed to increase to 1.5% of sales from 1% their contributions to national advertising.

ADVERTISING EXPENDITURES

	1983	1982
Magazines.....	\$467,200	
Spot tv.....	31,724,299	\$17,916,300
Network tv.....	18,683,400	13,817,300
Spot radio.....	899,600	1,119,900
Network radio.....		6,300
Outdoor.....	1,148,500	676,000
Total measured.....	52,422,900	33,535,000
Unmeasured.....	12,072,100	11,339,000
Estimated total.....	64,495,000	44,874,000

WENDY'S INTERNATIONAL

Marketing Personnel

William M. Welter, exec vp-mktg
Michael C. Claud, senior vp-mktg
Bruce M. Ley, vp-national mktg
Donald F. Calhoun, vp-field mktg
Daniel Dahlen, director-adv and sales promo
Michael Sapienza, senior director-mktg analysis, new prods.
Denny Lynch, vp-corp communications

Advertising Agency
Dancer Fitzgerald Sample, New York—Joe Mack, exec vp-mgmt dir; Charles Rath, senior vp-mgmt super; Robert Reed, senior vp-mgmt super.

Burton-Marsteller, New York—(corporate pr)—Fred Thompson, vp-group mgr.

SISTERS CHICKEN & BISCUITS

Marketing Personnel

J.W. Near, president and coo

Advertising Agency

Stockton, West, Burkhart, Cincinnati—Ron Klein, acct super.

Wm. Wrigley Jr. Co.

	1983	1982
Sales.....	\$981,688,000	\$981,459,000
Earnings.....	39,164,000	35,811,000
U.S. Advertising.....	63,948,200	67,828,200

*Worldwide

Wm. Wrigley Jr. Co., Chicago, the nation's 91st largest advertiser, spent an estimated \$63.9 million on measured advertising in 1983, down 5% from 1982.

Net earnings for the year were \$39.2 million, up 9.5% over 1982. Net sales, which declined slightly between 1981 and 1982, showed a fractional gain in 1983 to \$981.7 million, compared with \$981.5 million in 1982. The company said the stagnation was due to the reduced value of overseas sales revenues when converted into strong U.S. dollars. A constant dollar value in 1983 would have improved net sales \$18 million, the company said.

Wrigley sales, which command about 44% of the estimated \$1.8 billion in total gum market sales, continue to be led by Doublemint, Spearmint, Juicy Fruit and Big Red, for which it collectively spent about \$40 million in measured advertising in 1983. The four account for more than half of the sugared chewing gum market.

U.S. chewing gum sales revenues of \$406.5 million up 3% from 1982, benefited from slightly higher unit volume and improved multipack pricing. Shipments of established brands increased over 1982, resulting from continued gains by Big Red chewing gum, which got slightly more than \$9 million in ad support in 1983, and a stronger performance by Wrigley's Spearmint gum, spurred by its current ad campaign begun in 1982, themed, "Really keeps you hummin'."

Doublemint's longstanding "double your pleasure" ad campaign began getting a new updated, contemporary look in 1983, a trend that continues in 1984.

Both Spearmint and Doublemint continued to rely heavily on network and spot tv in 1983, which resulted in their collectively receiving more of the marketing dollars earmarked for Wrigley's four major gums.

Juicy Fruit gum, which claims about 8% of the chewing gum market, received its first new campaign in three years late in 1983, targeted at teens with the jingle theme, "The taste that's gonna make ya." Indications so far in 1984 are that the campaign has been well-received and worked effectively to broaden Juicy Fruit's demographic appeal.

The gum was allowed broadcast clearance by the tv networks in children's time periods for the first time in about five years. Juicy Fruit's previous spots, themed, "Nothing like the flavor," were not allowed by network censors in children's time. The ability to buy ad time in more of a variety of dayparts such as daytime has allowed Wrigley to maintain about the same spending level for the brand despite the launch of a new campaign.

Freudent chewing gum continued its solid growth in 1983, according to the company, with its estimated \$11 million advertising effort emphasizing its breath-freshening and nonstick qualities. A little additional print support was thrown behind Freudent in January, 1984, with the introduction of its new cinnamon flavor. Hubba Bubba soft bubble gum maintained its volume and share in a very competitive and segmented market.

The limited market testing late last year of Extra, a sugar-free chewing gum containing NutraSweet, led to the

company's decision this summer to introduce the product nationally.

Sources say Wrigley plans to spend as much as \$15 million or \$20 million in initial advertising support for Extra.

The campaign is set to break in the latter half of 1984, depending upon the progress of nationwide distribution of the gum this summer. Wrigley made an unsuccessful attempt to enter the sugar-free gum market in the late 1970s with Orbit.

Although Wrigley was the first major chewing gum company with aspartame-sweetened, sugar-free gum, it has found itself up against stiff competition.

Amurrol Products, Wrigley's associated company that had record sales in 1983 principally with new products, also invested additional funds mainly in support of its Big League Chew and Tidal Wave (a liquid-center bubble gum) brands.

Late last year, Amurrol introduced the liquid-center gum Binaca Blast, which capitalizes on the consumer's familiarity with Ciba-Geigy's Airwick Industries breath freshener, Binaca, and touts the gum's breath-freshening capabilities. Binaca test markets have included Des Moines, Seattle and Dallas.

Operations in the U.S. were primarily responsible for the earnings gain in 1983 with the parent company contributing much of the increase. Cost controls, slightly higher volume, a more favorable product mix and revised multipack pricing all had a positive impact.

The consolidated gross profit margin improved to 52.3% in 1983 from 50.5% in 1982 and 48.6% in 1981. Improved margins resulted from higher pricing in several markets and cost-containment programs.

ADVERTISING EXPENDITURES

	1983	1982
Magazines.....		\$15,100
Spot tv.....	\$17,873,700	16,854,900
Network tv.....	42,342,700	47,515,300
Spot radio.....	23,800	94,100
Network radio.....	2,908,000	1,733,200
Outdoor.....	15,600	
Total measured.....	63,148,200	66,128,200
Unmeasured.....	806,000	806,000
Estimated total.....	63,948,200	67,828,200

WM. WRIGLEY JR. CO.

Marketing Personnel

William Wrigley, president, coo
Ronald O. Cox, vp-mktg
R. Darrell Evers, group vp-intl
A. Cipollina, asst vp-sales
G. Bebee, mktg director
N. Hoegh-Guldberg, mktg director
R.O. Thurlow, genl sales mgr
J.C. Barger, southern district
James Johnson, southeastern district
George Palmer, western south district
H.J. Conklin, eastern district
H.F. Constant, midwestern district
J.E. Decker, western north district
H.W. Gray, southwestern district
E.L. Kimzey, mid-Atlantic district
L.R. Klein, west central district
J.M. Kroyer, north central district
Advertising Personnel
R.O. Cox, vp-mktg
H.J. Berchert, asst vp-adv graphics and design

Advertising Agencies

BBDO, Chicago—Doublemint, Spearmint, Big Red, Juicy Fruit, Freudent, Orbit, Extra—Eric Harkins, president; Andrew Donchak, vp-mgmt super; Walt Waschick, Rick Grant, acct super.
Needham, Harper & Steers, Chicago—Hubba Bubba, Amurrol prods, Big League Chew, Tidal Wave—Gene Yovetich, mgmt rep; Pam Mikulec, Tom Horne, Elizabeth Brennan, acct execs.

Xerox Corp.

	1983	1982
Sales.....	\$8,463,500,000	\$8,453,600,000
Earnings.....	464,400,000	423,700,000
U.S. Advertising.....	110,101,800	80,000,000

*Worldwide

Xerox Corp., Stamford, Conn., the country's 65th largest national advertiser, spent an estimated \$110.1 million in 1983, an increase of nearly 38% over 1982.

The company attributes the increased advertising spending to support of the launch of its Series 10 copiers, its Memorywriter electronic type writers and other new products.

Company sales and earnings for

1983 proved to be mixed. Operating revenues stood at \$8.46 billion, less than a 0.1% increase over 1982. Profits rose to \$464.4 million, up 10.1%.

Revenues in 1983 were affected adversely by the strength of the dollar, lower year-to-year price levels of about 4%, a mix of equipment installations skewed more toward rental than sales and weaknesses in the components businesses.

The largest advertising spending was devoted to Xerox copiers, on which more than \$23 million in measured expenditure were spent. Nearly half of this was allocated to network tv. Another 43% went to magazines.

Xerox at the end of July reported that losses in its property and casualty insurance operations offset gains in its office equipment business, causing net profit in the second quarter to dip to nearly 38% over the similar period a year earlier. In the second quarter, the company earned \$95.5 million on total revenues of \$2.26 billion.

In the first six months of 1984, Xerox profits fell to \$221.6 million on higher revenues of \$4.39 billion, compared with earnings of \$281.9 million on total revenues of \$4.36 billion for the first six months of 1983.

Total sales revenues in 1983 were \$3.9 billion, an increase of 12%. By contrast, rental revenues declined 17%, to \$3.3 billion in 1983.

Income from the reprographics and information systems businesses was \$348 million, a decline of 5% from 1982.

Even though earned premiums from its Crum & Forster insurance subsidiary increased 11%, operating income after taxes, before capital gains and losses, declined 5% from 1982 and, according to the company, reflects losses associated with Hurricane Alicia and the severe winter storms during December.

There were some brighter moments. In the Marathon Line, Xerox introduced two photocopiers—the 1048 and the 1055—that will sell for between \$8,000 and \$19,000. The new copiers are expected to fill a price gap between its three small and midsize models and the highest priced 1075, which sells for more than \$50,000. The

company also introduced a high volume duplicator, the 9900, that will sell for \$129,775.

Part of the Marathon Line advertising and promotion campaign has been signing up runners to wear the Xerox logo. The company also is sponsoring marathon races and running races between staff and customers.

Xerox launched its portable battery-powered computer in 1983 but found the market unwilling to support the product. Not surprisingly, in May, 1984, the company abandoned its line of portable computers. Contract supplier for the portable computers, Sunrise Systems Inc. of Carrollton, Tex., later filed for bankruptcy.

In another move, Xerox announced late in 1983 that it planned to sell most of its retail stores and an assortment of computers to a group of Texas entrepreneurs. Xerox initially had expected the stores to complement its direct sales force. However, in the rapidly changing marketplace, the company found it easier to sell its products through retailers who assume overhead and marketing expenses.

ADVERTISING EXPENDITURES

	1983	1982
Newspapers.....	\$13,824,300	\$5,778,300
Magazines.....	15,650,100	18,062,700
Spot tv.....	2,937,400	865,800
Network tv.....	22,732,400	15,304,400
Spot radio.....	2,613,300	974,600
Network radio.....	874,800	1,657,900
Outdoor.....	4,000	13,100
Total measured.....	58,626,300	43,157,900
Unmeasured.....	51,405,500	36,842,200
Estimated total.....	110,101,800	80,000,000

XEROX CORP.

Marketing Personnel

William Glavin, exec vp, president—Business Equipment Group
Michael Kirby, director-corp adv & promo
Joseph M. Cooper, mgr-corp adv & promo

Advertising Agencies

Needham, Harper & Steers/USA, New York—copiers/duplicators, electronic printers, professional work stations, information processors, personal computers, facsimile transceivers, local area network (Ethernet), computer services—Joseph Landy, exec vp, client services, all prods; Laurence Reynolds, Tom Hook, Bud Gilson, acct super.
Young & Rubicam Special Markets, New York—retail store operations—Robert Graham, senior vp-director of mktg/client services; Walter Darragh, vp-client services, acct super.

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Monday, September 17, 1984

Advertising Age

The International Newspaper of Marketing

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Subliminal ads: Threat or hoax?

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GM places ad agency costs under microscope

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Top-echelon shifts open a new era at Needham

— Page 1

New cigaret may be B&W blockbuster

— Page 1

Olympics play out as bargain for advertisers

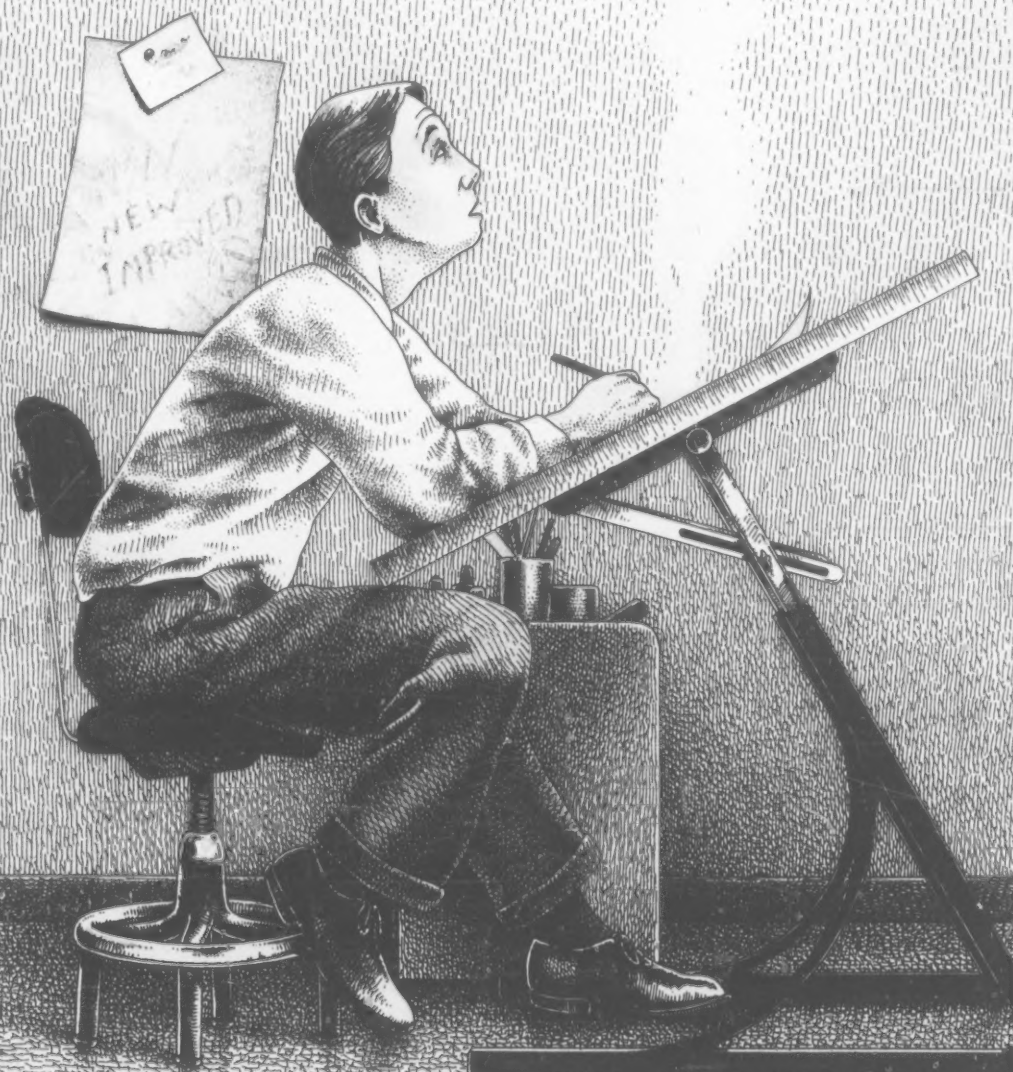
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J.C. Penney adding dash to new look

— Page 6

Down Under, LA beer flies

— International section



AA2001ACONGLI
CONGRESSIONAL INFO SERVICE
F.M.F.
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

Nets, shops wary after RKO flap

By VERNE GAY

NEW YORK—The RKO Radio Networks scandal involving \$5.9 million in overbillings to advertisers has rekindled doubts and suspicions that long have haunted the medium. Advertisers and industry experts now are wondering: Can it happen again?

The theoretical answer is a resounding "Yes." "All networks are on guard," said a source who asked not to be identified.

The incident, in which RKO Radio Networks billed advertisers in 1983 for spots that never ran or ran in poorly rated programs, has prompted other radio networks to examine their own accounting procedures.

ABC Radio Networks reportedly called in a team of outside auditors to scour its books for any infractions.

"It can happen anywhere else," said Robert Welty, exec vp-corporate media director at Bozell & Jacobs, New York. "If someone wants to be dishonest and if you have some type of agreement with people to ignore good business practices, then sloppiness sets in."

Bozell & Jacobs, Ogilvy & Mather and Young & Rubicam are just a few of the agencies now saying they will conduct spot checks of network radio affiliates to independently confirm commercials ran when and where promised.

At the center of the hurricane is RADAR, a radio measurement

(Continued on Page 88)

Cooler's rising star rocks wine market

By RUTH STROUD

California Cooler Inc., a rags-to-riches story that sprang from a \$10,000 bathtub operation, has vigorously stirred the wine industry's status quo this summer, touching off a flurry of reactions to the lightning growth of the wine-cooler category.

The 2½-year-old Stockton, Cal.-based company, which some call the Apple Computer of the wine industry, stunned analysts and competitors alike when its July shipments of California Cooler, the company's only product, measured second only to E. & J. Gallo Winery's total among California wine producers.

The company itself, in controlling 60% of the cooler market, ranked fourth among the state's wine companies in shipments for the year to date.

According to industry reports, California Cooler shipped more than 3.6 million gals. during July, compared with Gallo's nearly 9 million gals. The Cal Cooler figures represented a 350% increase over the previous July and capped months of continuous growth.

So far in 1984, the company has recorded more than

12 million gals. in shipments, and projections are that it will reach more than \$80 million in sales by the end of the year.

With its sales curve rising steeply, Cal Cooler has powered the growth of the entire category, while saving the over-all wine industry from showing dramatically declining sales.

Wine coolers, which generally contain only about 50% wine and 5% to 6% alcohol, represented about 18% of California wine shipments in July and accounted for all the growth of the state's wine industry during that month and the entire year to date, according to Jon Fredrikson, editor of "The Gomborg Report," a highly regarded wine-marketing report. That compared with 3% of the industry in July, 1983.

Minus the coolers, Mr. Fredrikson's research reveals, shipments of conventional wines were off 15% in July, 13% in June and 6% for the first seven months. Adding the cooler volume, shipments grew 1% for the year. At the same time, imported wines, helped by the strong dollar, have grown 8%.

But the figures just begin to tell the story of the

(Continued on Page 86)

Highlights

The new chief executive of the Direct Marketing Assn. sees his major task as keeping pace with a burgeoning membership. See Page 10.

The consolidation of all advertising for Martell cognac at Burrell Advertising gives the nation's largest black-owned ad agency its first general-market account, but that doesn't change what the agency is about. See Page 12.

Ocean Spray Cranberries is running a national promotion to select the "greatest American woman athlete of the last 25 years." See Page 24.

Hiring good staff members and then keeping them makes good business sense. How can this be done? See Page 44.

Pontiac's five "image cars" are to get nearly all the ad attention this model year, while lux-

and Tom Pew recalls this cross-country highway and its historic significance in his essay "Good-bye, apple pie." See Page 20.

Apple & Eve: Or how to package a certain fruit and influence people. A fable, told in word and picture by new-product consultant Robert Pliskin. See Page 20.

In "Comedy effects—By cocaine," AA Editor Fred Danzig reports on what Bob Woodward's book, "Wired," tells us about cocaine and NBC-TV's success with the "Saturday Night Live" series. See Page 20.

INTERNATIONAL

Hollywood razzmatazz, glitz and glamor—on U.S. tv programs and in U.S.-made movies shown worldwide—threaten global marketing by undermining traditional values in foreign nations. See Page 48.

Low-alcohol beers are off to a slow start in the U.S., but in Australia, where tough drunk-driving laws allow police to administer random breath tests to motorists, the market is a hot one. See Page 48.

Chicago-style pizza, best known for its thick crust and generous portion of cheese, is al-

ready a hot item in London, Spain and France. And plans to launch the pizza in India, Ireland, Australia and Germany are under way. See Page 50.

A.C. Nielsen Co., continuing its expansion into Latin America, is buying more than 60% of Audi Market, the leading Brazilian market-research company. See Page 50.

VIDEOTECH

Fledgling Chelsea Productions has scored big by selling NBC Sports on a vignette program leading into the World Series. See Page 70.

Agencies expect this fall's new network tv shows to produce only a few hits and some revitalized acting careers. See Page 73.

COMING THURSDAY

SPECIAL REPORT

Fashion marketers, looking for ways to expand sales, are establishing bridge lines at lower prices, lending their names to licensed products and changing their images to attract more buyers.

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Coke rethinks its Tab ad pitch

By NANCY GIGES

Coca-Cola U.S.A. has postponed the follow-up campaign to "Let's taste new Tab" until next year but is replacing the current spots with a straightforward discourse: "You'll drink Tab now because you want to, not because you have to."

Starring model and aspiring actress Cindy Harrell, the new tv spot that broke Sept. 13 on ABC's "Glitter" features a head-and-shoulders shot of her noting, "I thought Tab was something you had to drink. You go on a diet, you go buy Tab, like it or not. But now Tab's got NutraSweet blend. I know NutraSweet is everywhere,

but in Tab, it tastes terrific. It's crisp, refreshing. It's really satisfying. If you haven't tasted new Tab, you've got to try it. Do, and you won't drink Tab because you have to. You'll drink Tab because you want to." As the spot closes, the "Let's taste new Tab" music plays in the background, but without the words, which have raised criticism from the start.

Both company and agency admit they've had feedback that the theme has sometimes been misinterpreted as "less taste, new Tab." That theme was created by McCann-Erickson, New York, before the brand was switched to

(Continued on Page 86)

Cohen named new editor of 'Focus'

LONDON—Stanley E. Cohen, vp of Crain Communications Inc. and Washington editor of ADVERTISING AGE, has been appointed editor of ADVERTISING AGE's Focus, the monthly magazine of European advertising and marketing.

Mr. Cohen succeeds Eugene Bacot, who has been editor since the publication's inception in 1982. Mr. Bacot will remain with Focus in the transition and serve as a consultant to the publication on special projects.

Mr. Cohen joined Crain as Washington editor of Ad Age in August, 1983. He is also chief of the Crain Washington bureau and editor of the Ad Age editorial page. He has been a vp of Crain since 1967.

Mr. Cohen is among the senior members of the Washington news corps and was one of five Washington journalists inducted last year into the Hall of Fame of the local Society of Professional Journalists chapter. His column, Washington Beat, was selected as first-place winner this year for best continuing feature column by the Chicago chapter of the American Society of Business Press Editors,



S. Cohen

and was the silver award winner in the recent 1984 national competition of the National Media Awards of the Consumer Federation of America.

His professional activities include chairing the speakers

committee of the National Press Club in 1982, where he was in charge of the club's nationally telecast speakers' luncheons.

"Stan Cohen's joining the staff of Focus indicates the commitment we have to Focus and to Europe," said Rance Crain, president of Crain Communications and editor-in-chief of ADVERTISING AGE. "Stan was my first boss, and I have the highest confidence and respect for his editorial ability. His job is to make Focus the most comprehensive and dependable magazine on pan-European advertising trends and developments, and I know he will accomplish that goal."



ury and economy cars are put out to pasture. See Page 81.

CORPORATE CLOSEUP

Top executives at Maclean Hunter, the Canadian media giant, are bullish on the U.S., where they see possibilities for expansion. See Page 4.

FORUM

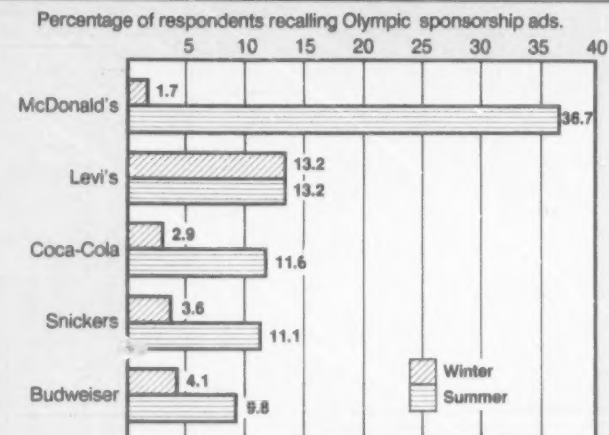
Route 66, famed in song and story, is gone but not forgotten,

Cover illustration by Tom Herzberg.

ADWATCH

Top Olympic sponsors in awareness

Consumer awareness of Olympic sponsorship advertising during the summer games matched or exceeded recall levels from the winter games. Source: SRI Research Center, Lincoln, Neb.



Olympic links prove bargains

By SCOTT HUME

There's a word for the millions of dollars some companies gave the Los Angeles Olympic Organizing Committee to become official sponsors of the summer games. It's "bargain."

Advertising touting corporate ties to the Olympics appearing before and during the games had very high consumer awareness, was well received and had a positive effect on buying patterns. Marketers can't ask for much more than that.

According to a study conducted last month for ADVERTISING AGE by SRI Research Center, Lincoln, Neb., 83% of the 1,255 adults polled recalled having seen, heard or read advertising mentioning Olympic sponsorship in July and August. By contrast, in a similar survey conducted during the Winter Olympics, 72% of respondents were aware of such advertising (AA, Feb. 6).

Additionally, better than four out of five persons polled were able to name at least one advertiser running an Olympics-themed message. During the Winter Olympics, 43% of respondents drew a blank when asked which Olympic sponsor's advertising first came to mind.

What remained the same between Winter and Summer Olympics was consumers' favorable view of companies that sponsor the U.S. team. In last month's survey, 43% said Olympic sponsorship raises their opinion of the sponsoring company; 50% said sponsorship has no effect on their opinion; 4% said sponsorship lowers their opinion of a company and the remainder weren't sure how they felt.

Also matching the result from the Winter Olympics survey were the 30% of respondents last month who said they would be inclined

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Filipacchi, Murdoch a fashionable team

By STUART J. ELLIOTT

NEW YORK—Daniel Filipacchi and Rupert Murdoch, two of the world's publishing giants, are joining forces to tackle the lucrative, burgeoning women's fashion category of the U.S. magazine market.

It was disclosed last week that Hachette, Mr. Filipacchi's Paris-based company, and Mr. Murdoch's News Group Magazines here will launch in the fall of 1985 a regular monthly, English-language version of *Elle* (AA, Sept. 13). Hachette's popular weekly French women's fashion and life-style title. It is believed to be the first 50-50 partnership on a publishing venture for both Messrs. Filipacchi and Murdoch.

This arrangement replaces one that *Edi Sept*, a Hachette subsidiary, had since last December with The New Yorker Magazine Inc., which produced two test issues of a U.S. edition called *Elle International*. The two companies agreed to disagree in a variety of areas, leading Hachette to pick a new partner.

"Without The New Yorker, the magazine probably would not exist," said Didier Guerin, exec vp, *Edi Sept*, and publisher, *Elle International*, "but we agreed there was no way we could [proceed] together."

Hachette was "looking for something other than what we can give them," said Hoyt Spelman, publication director, The New Yorker.

The partnership with Mr. Murdoch "could be very interesting," said Mr. Guerin, noting that he and Mr. Filipacchi "have known each other for many years, and know each other well."

And it is "certainly not impossible the two groups could go further than *Elle International*," said Mr. Guerin, "other titles, other activities as well." But, he emphasized, for now only the one co-venture has been decided upon.

While details are still being worked out, plans call for News Group to assume, via its existing departments, responsibility for *Elle International*'s circulation, finance, production and promotion, said Martin Singerman, president, News Group Magazines, which includes *New York*, *New Woman* and *Star* among its properties.

Departments handling editorial, Hachette's area of expertise, and advertising will be created; there are no details yet on editorial staffing, ad rates or rate base. Under the Hachette-New Yorker agreement, the former handled editorial and production while the latter handled ad sales and promotion.

The Hachette-News Group partnership will produce one more test issue of *Elle International*, dated spring/summer 1985, said Mr. Singerman, before regular monthly frequency begins, it is hoped, in September, 1985. September is the month when the U.S. women's fashion magazines bring forth their fat issues that usually set advertising-page and revenue records (AA, Sept. 10).

Is there room for an *Elle International* among those women's fashion books? "I think there is a marketplace in this country for another publication, with a different touch," said Mr. Singerman, "more interna-

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World News Roundup

TORONTO—Unilever Cos. may be consolidating its \$20 million account at Harrison, Young, Personen, Canada's largest media placement specialist. The bulk of it would come from J. Walter Thompson Co. The move is seen as part of a plan to form Unilever Canada, which would centrally control all the company's activities here.

HAMBURG—Procter & Gamble last week picked Saatchi & Saatchi/Compton as the first agency to handle Valensina orange juice, which P&G acquired when it bought the Dittmeyer Co. in May.

NEW YORK—CBS/Broadcast Group Worldwide is negotiating with the government of India to sell CBS programming and coordinate advertising around it on Indian tv. Indian protectionist laws now restrict such an arrangement, but those restrictions may be eased, sources say. Also, IBM has signed up as the first advertiser for a package of programs CBS has sold to China Central TV (AA, July 30).

LONDON—D'Arcy Direct, the direct-marketing arm of D'Arcy MacManus Masius Worldwide, opened an office in London last week, the second since its first opened in New York in June. It will function within Inter-Ad Group, the holding company of D'Arcy's second network.

BANGKOK—Shell of Thailand moved part of its \$700,000 consumer products account to J. Walter Thompson Co. from Amex & Grey (Continued on Page 50)

Bloom gets 'youth' look

DALLAS—Bloom Cos., of which the Bloom Agency is the major subsidiary, has realigned top management of the holding company and the agency to free them for more involvement with clients and new-business efforts.

C.A. (Tony) Wainwright, 50, chairman-chief executive officer of the agency, becomes president of Bloom Cos. In that post, he will assume broader corporate responsibilities, according to Robert Bloom, company chairman.

The move creates what Mr. Bloom refers to as a "youthful management" for the agency, with Dennis McClain, 36, president-creative director since 1983, succeeding Mr. Wainwright as chair- (Continued on Page 83)

Can't ignore subliminal ad charges

By JACK HABERSTROH

Most of my professional advertising colleagues, I suspect, regard subliminal embedding as nothing more than a fictional flyspeck on a bookcase crammed with advertising memorabilia. The less said about Wilson Bryan Key, author of "Subliminal Seduction," and his fevered fantasies, the better.

Ignore him, conventional wisdom suggests, and, like the flasher he sees in your martini, he'll disappear when the ice melts.

The guy's a crackpot, some say. Finds S-E-X all over Ritz crackers. Penises in Parkay patty advertising. Orgies in cocktails. Male and female ice cubes. And fellatio on the ceiling of the Sistine Chapel.

Jack Haberstroh is a professor in the School of Mass Communications at Virginia Commonwealth University, Richmond.

Adfolk laugh, but students listen

Besides, they hint, his books will never sell. No one really believes any of his naughty nonsense. So just clam up and let him rest in peace.

The problem with this is: He and his notions won't go away!

A youngish 59 years old, Mr. Key has achieved a permanent place in American advertising folklore. Like him, loathe him, he's here to stay.

He now has written three well-selling books on subliminal persuasion, and a fourth is near completion. His first, the watershed treatise on the subject, appeared in 1973. "Subliminal Seduction" now has sold nearly 1 million copies.

"Media Sexploitation" rolled off the press in 1976 and takes embedding a step further. Not only are

subliminals being used in advertising, Mr. Key says, but also in products—including Ritz crackers. This book has sold more than 330,000 copies.

Nearly 200,000 copies of his latest, "The Clam-Plate Orgy," have been sold. The book appeared in 1980 and—for starters—finds S-E-X in Lincoln's beard, oral copulation in Michelangelo's Original Sin, a clam orgy on Howard Johnson placemats, an erect genital in Picasso's Woman Asleep, and a giant anamorphic skull in Holbein's Ambassadors.

"Subliminal Seduction" was christened with respectability when Marshall McLuhan wrote its meandering, but quite flattering, introduction. The book is enjoying its seventh printing and is being

sold throughout Central and South America in a Spanish translation.

There are few American or Canadian college campuses that have been missed by the ubiquitous Mr. Key. Often appearing before large standing-room-only crowds, his illustrated lectures now command \$3,000 fees. He will give between 80 and 90 such major lectures every year and appear in thousands of advertising classrooms along the way.

And although it may be fashionable along Madison Avenue to pooch-pooch the professor—he has taught at universities for 14 years—he continues to spread his controversial gospel on talk shows. Tv, radio and newspaper reviews of his books have appeared in major cities around the U.S.

Advertising practitioners ignore him at their own risk. Often that ignorance can be embarrassing. Thousands of students are graduating every year thoroughly conversant with Mr. Key, his books and his theories. Many may have seen or heard him personally. And some are quick to believe the worst about advertising and its practitioners.

Some support for this latter statement can be found in surveys I conducted of students in my classes to whom Mr. Key had lectured. One of every five thought that "the majority of artists and photographers and others involved in the creation of advertising" deliberately were placing subliminal words and symbols in advertising, and that 50% of the students to whom he lectured thought that at least half of all artists willfully were inserting subliminals.

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